

1 B. WESTMAN  
2 UNITED STATES BANKRUPTCY COURT  
3 FOR THE SOUTHERN DISTRICT OF NEW YORK  
4 -----X  
5 In re: : Chapter  
6 RESIDENTIAL CAPITAL, LLC, : Case No. 12-12020(MG)  
7 et al., : Jointly Administered  
8 Debtors. :  
9 -----X  
10 RESIDENTIAL CAPITAL, LLC, :  
11 et al., :  
12 Plaintiffs, :  
13 v. : Adversary Proceeding  
14 UMB BANK, N.A., as successor : No. 13-01343(MG)  
15 indenture trustee under that :  
16 certain indenture, dated as of:  
17 June 6, 2008; and WELLS :  
18 FARGO BANK, N.A., third :  
19 priority collateral agent and :  
20 collateral control agent under:  
21 that certain Amended and :  
22 Restated Third Priority Pledge:  
23 and Security Agreement and :  
24 Irrevocable Proxy, dated as of:  
25 December 30, 2009, :  
Defendants. :  
-----X

(Caption continued on Page 2)

VIDEOTAPED DEPOSITION OF BARBARA WESTMAN  
October 15, 2013  
New York, New York

Yellow Highlighting = JSN Designation

Pink Highlighting = Plaintiff's Counter-Designation

Orange Highlighting = Joint Designation

Reporter: Kathy Klepfer  
Job 66939

(Caption continued from previous page)

OFFICIAL COMMITTEE OF :  
UNSECURED CREDITORS, on behalf:  
of the estates of the Debtors, :  
Plaintiff, :  
v. : Adversary Proceeding  
UMB BANK, N.A., as successor : No. 13-01277(MG)  
indenture trustee under that :  
certain Indenture, dated as of:  
June 6, 2008; and WELLS :  
FARGO BANK, N.A. third :  
priority collateral agent and :  
collateral control agent under:  
that certain Amended and :  
Restated Third Priority Pledge:  
and Security Agreement and :  
Irrevocable Proxy, dated as of:  
December 30, 2009, :  
Defendants. :

-----x

October 15, 2013

Videotaped deposition of BARBARA  
WESTMAN, held at Morrison Foerster LLP,  
1290 Avenue of the Americas, New York,  
New York, before Kathy S. Klepfer, a  
Registered Professional Reporter,  
Registered Merit Reporter, Certified  
Realtime Reporter, Certified Livenote  
Reporter, and Notary Public of the State  
of New York.

1 B. WESTMAN

2 A P P E A R A N C E S:

3 MORRISON & FOERSTER

4 Attorneys for the Debtors and the Witness

5 1290 Avenue of the Americas

6 New York, New York 10104

7 BY: CHARLES KERR, ESQ.

8 J. ALEXANDER LAWRENCE, ESQ.

9 JENNIFER MARINES, ESQ.

10 LORENZO MARINUZZI, ESQ.

11  
12 KRAMER LEVIN NAFTALIS & FRANKEL

13 Attorneys for the Committee of Unsecured Creditors

14 1177 Avenue of the Americas

15 New York, New York 10036

16 BY: PHILIP KAUFMAN, ESQ.

17  
18 MILBANK, TWEED, HADLEY & McCLOY

19 Attorneys for the Ad Hoc Committee of Junior

20 Secured Creditors

21 1 Chase Manhattan Plaza

22 New York, New York 10005

23 BY: ATARA MILLER, ESQ.

24 DANIEL WHITE, ESQ.

1 B. WESTMAN

2 A P P E A R A N C E S: (Cont'd.)

3  
4 KIRKLAND & ELLIS

5 Attorneys for Ally Financial

6 655 Fifteenth Street, N.W.

7 Washington, D.C. 20005

8 BY: JODI WU, ESQ.

9  
10 REED SMITH

11 Attorneys for Wells Fargo Bank

12 599 Lexington Avenue

13 New York, New York 10022

14 BY: MARK SILVERSCHOTZ, ESQ.

15  
16 DECHERT

17 Attorneys for BNY Mellon

18 1095 Avenue of the Americas

19 New York, New York 10036

20 BY: JAMES MOORE, ESQ.

21  
22 ALSO PRESENT:

23 MICHAEL PINEIRO, Legal Video Specialist

24 ANTHONY R. MILAZZO, FTI

1 B. WESTMAN

2 THE VIDEOGRAPHER: This is the start  
3 of the tape labeled number 1 of the  
4 videotaped deposition of Barbara Westman in  
5 the matter In re Residential Capital, LLC.

6 Today is October 15, 2013. The time  
7 is approximately 10:09 A.M. Appearances  
8 have already been noted by the court  
9 reporter.

10 Will the court reporter please swear  
11 in the witness.

12 \* \* \*

13 B A R B A R A W E S T M A N, called as a  
14 witness, having been duly sworn by a Notary  
15 Public, was examined and testified as  
16 follows:

17 EXAMINATION BY

18 MS. MILLER:

19 Q. Good morning, Ms. Westman. My name is  
20 Atara Miller and I work at Milbank Tweed Hadley  
21 & McCloy and we represent the Junior Secured  
22 Noteholders in this action.

23 Before we begin the deposition, I just  
24 want to note for the record that Debtors  
25 produced last night an additional 500

1 B. WESTMAN

2 documents -- 500 pages of documents for which  
3 you were designated the custodian.

4 MS. MILLER: We have not had an  
5 opportunity to even load the documents,  
6 nevertheless review them, and we reserve all  
7 rights to recall the witness, as necessary,  
8 after review of those documents.

9 MR. KERR: I just have one question.  
10 Do you have appearances for everybody?

11 COURT REPORTER: I do.

12 BY MS. MILLER:

13 Q. Good morning. Can you please -- have  
14 you ever been deposed before?

15 A. One other time.

16 Q. And in what context was that?

17 A. It was an employee litigation matter.

18 Q. And was that an employee of ResCap?

19 A. Yes.

20 Q. And in what capacity were you  
21 testifying?

22 A. As a company representative testifying  
23 about accounts payable policies.

24 Q. And do you understand that you're  
25 testifying here today in part also as a company

1 B. WESTMAN

2 representative?

3 A. Yes.

4 Q. I'm going to just go over some very  
5 quick instructions. You have been deposed  
6 before, so hopefully you know them. But I'm  
7 going to ask you questions. You're going to  
8 answer them. The court reporter is going to  
9 take everything down. She can't record both of  
10 us speaking at the same time, so I ask that you  
11 wait until I finish asking a question before you  
12 answer, and I'll try to do the same.

13 Also, you need to give audible  
14 responses. The court reporter can't take down,  
15 although they have creative ways, can't take  
16 down nods of the heads, knowing glances and the  
17 like.

18 There may be times during this  
19 deposition that your counsel will object to a  
20 question that I pose. I ask that unless you're  
21 specifically instructed by your counsel not to  
22 answer the question, that you still answer the  
23 question that I asked.

24 Of course, if at any time you don't  
25 understand a question or need clarification, I

1 B. WESTMAN

2 would be happy to restate the question or  
3 explain it further for you.

4 I also ask that you not take breaks to  
5 confer with counsel or for any other reason  
6 while a question is pending. Please answer the  
7 question and then I'd be happy to, you know,  
8 take a break whenever you feel you need one.  
9 Just let me know and I'd be happy to go off the  
10 record.

11 MR. KERR: Atara, on that, I respect  
12 that and you should try to answer questions  
13 and not take breaks. However, if there is  
14 an issue of privilege that comes up that  
15 you're not able to respond to the question  
16 without knowing whether or not you might be  
17 stepping into privilege areas, for that I  
18 think you should let Atara know and then we  
19 can discuss it at that time.

20 THE WITNESS: Okay.

21 BY MS. MILLER:

22 Q. So I think the instruction that your  
23 counsel just gave you is that if you think it's  
24 privileged, note that you're not sure if the  
25 question implicates privileged information and



1 B. WESTMAN

2 you would like to confer regarding that  
3 specifically.

4 A. Okay.

5 Q. What did you do to prepare for today's  
6 deposition?

7 A. I reviewed documents, refreshed my  
8 memory on several sets of documents, talked with  
9 various individuals.

10 Q. And who did you speak to?

11 A. Spoke with people from FTI,  
12 individuals from MoFo.

13 Q. And who specifically at FTI did you  
14 speak with?

15 A. Anthony Milazzo.

16 Q. And who from MoFo did you confer with?

17 A. The individuals in this room.

18 Q. And did you meet with MoFo and FTI  
19 together or separately?

20 A. Together.

21 Q. And how long did you meet with them  
22 for?

23 A. Two days.

24 Q. And when you said you reviewed  
25 documents, were those documents that you

1 B. WESTMAN

2 independently determined to review?

3 A. They were mainly documents that MoFo  
4 pulled together for review.

5 Q. Were there any documents that you went  
6 back to your files or the company records to  
7 review?

8 A. I did look at e-mails from my own  
9 records.

10 Q. And what were the topics of those  
11 e-mails?

12 A. Regarding various intercompany  
13 schedules and information.

14 Q. Were those intercompany schedules that  
15 you prepared?

16 A. I don't recall specifically.

17 Q. And do you know if all of the e-mails  
18 that you looked at have been produced in  
19 connection with this litigation?

20 A. I don't know. I'm not aware of all  
21 the materials that have been produced.

22 Q. Do you know what the process was for  
23 collecting and producing your materials in this  
24 litigation?

25 A. I know that my e-mails were produced.

1 B. WESTMAN

2 I don't know of the process to do that.

3 Q. Did you assist counsel in obtaining  
4 relevant materials or responsive materials from  
5 your records?

6 MR. KERR: Objection.

7 A. Not from e-mails, but from other  
8 documents that met some of the requests.

9 Q. Did you keep a record of the specific  
10 e-mails that you looked at to prepare for  
11 today's deposition?

12 A. I did not.

13 MS. MILLER: I would like to mark --

14 And I'm going to go with "Westman  
15 Exhibit No." for tracking purposes, does  
16 that work?

17 MR. KERR: That's fine.

18 MS. MILLER: I would like to mark as  
19 Westman Exhibit 1 the Ad Hoc Group of Junior  
20 Secured Noteholders 30(b)(6) Notice in this  
21 case.

22 (Westman Exhibit 1, Ad Hoc Group of  
23 Junior Secured Noteholders 30(b)(6) Notice  
24 of Deposition, marked for identification, as  
25 of this date.)

1 B. WESTMAN

2 BY MS. MILLER:

3 Q. Ms. Westman, the court reporter has  
4 marked as Exhibit -- as Westman Exhibit 1 the Ad  
5 Hoc Group of Junior Secured Noteholders Notice  
6 of Rule 30(b)(6) Deposition, and beginning on  
7 page 8 of that document, there are deposition  
8 topics enumerated. Do you see that?

9 A. Yes.

10 Q. And do you see that the first topic  
11 states is, "All matters relating to the cash  
12 management system and treasury management system  
13 used by or amongst the Debtors and their  
14 affiliates, including but not limited to the  
15 daily movement of cash between Debtor entities  
16 and the movement of cash in connection with  
17 Intercompany Transactions"?

18 A. Yes.

19 Q. And do you understand that you've been  
20 designated by the company as the corporate  
21 representative on that topic?

22 A. Yes.

23 Q. And do you believe that you're the  
24 person most knowledgeable within ResCap to speak  
25 to that topic?

1 B. WESTMAN

2 A. Yes.

3 Q. And looking at topic number 2, it  
4 reads, "All matters relating to Intercompany  
5 Transactions and/or Intercompany Claims  
6 including, but not limited to, (i) corporate  
7 practices, policies, procedures, and guidelines,  
8 including approvals concerning, including but  
9 not limited to the accounting treatment of  
10 Intercompany Claims and Intercompany  
11 Transactions; (ii) the general nature of the  
12 types of transactions that were recorded in the  
13 Intercompany Accounts; (iii) whether interest  
14 accrued and/or was paid on the Intercompany  
15 Claims; (iv) corporate practices, policies,  
16 procedures, guidelines and decisions to forgive,  
17 cancel, settle and/or waive Intercompany Claims;  
18 and (v) corporate practices, policies,  
19 procedures, and guidelines for documenting  
20 Intercompany Transactions and the location of  
21 such documentation," and there are two  
22 additional romanettes which I'll spare the court  
23 reporter from typing because you weren't  
24 designated as a representative on those.

25 Do you understand that you were

1 B. WESTMAN

2 designated by the Debtors as a corporate  
3 representative on topics 2 (i), (ii), (iii), and  
4 (v)?

5 A. Yes.

6 Q. And do you believe that you're the  
7 person most knowledgeable within the company  
8 about those topics?

9 A. Yes.

10 Q. And topic number 3 is, "All matters  
11 relating to the accounting and audit -- and/or  
12 audit of the Debtors' financial statements on a  
13 non-consolidated basis." Do you see that?

14 A. Yes.

15 Q. And do you understand that you were  
16 designated by the Debtors as the corporate  
17 representative on that topic?

18 A. Yes.

19 Q. And do you believe that you're the  
20 person most knowledgeable within the company  
21 about that subject?

22 A. Yes.

23 Q. What's your educational background?

24 A. I have a bachelor of business  
25 administration with an emphasis in accounting.

1 B. WESTMAN

2 Q. And where do you have that degree  
3 from?

4 A. The University of Wisconsin, Oshkosh.

5 Q. Do you have any other degrees?

6 A. No other degrees. I have other  
7 insurance or industry designations.

8 Q. And what other insurance or industry  
9 designations do you have?

10 A. And HIA, Health Insurance Associate;  
11 FLMA, a Fellow Life Management Associate; and  
12 one other I don't recall the initials.

13 Q. Are you a CPA?

14 A. I am.

15 Q. And when did you become a CPA?

16 A. I took the exam in 1981.

17 Q. And did you pass?

18 A. I did pass.

19 Q. I thought you were going to say you  
20 then took it five more times.

21 A. I took it once.

22 Q. Good to hear.

23 You said that you have an HIA. What  
24 is that?

25 A. It's a health insurance designation.

1 B. WESTMAN

2 At the time I worked in an insurance

3 organization. It's an insurance designation.

4 Q. And what is an insurance designation?

5 A. It's a series of courses that you can  
6 take to learn different terminology, processes,  
7 et cetera, related to insurance.

8 Q. And when did you graduate from  
9 college?

10 A. 1981.

11 Q. And where were you first employed when  
12 you graduated from college?

13 A. Sentry Insurance in Stevens Point,  
14 Wisconsin.

15 Q. And how long did you work at Sentry  
16 Insurance?

17 A. Five years.

18 Q. And what was your position there?

19 A. Internal audit.

20 Q. And what were your responsibilities?

21 A. I assisted in performing audits of  
22 various divisions or branches or offices of the  
23 organization.

24 Q. And where did you work after Sentry  
25 Insurance?



1 B. WESTMAN

2 A. I moved to Minnesota and joined an  
3 organization North American Life and Casualty,  
4 which later changed its name to Allianz Life.

5 Q. And what were your responsibilities --  
6 or, what was your position at North American  
7 Life and Casualty?

8 A. I held several.

9 Q. And what was your first position?

10 A. Internal audit.

11 Q. And how long were you an internal  
12 auditor?

13 A. I don't remember exactly. Six months  
14 to a year.

15 Q. And what was your next position?

16 A. I moved into several financial manager  
17 positions. I don't recall each of the titles.

18 Q. What were your responsibilities in the  
19 financial manager positions?

20 A. For a time period I worked within the  
21 Claims Department and Managed Claims. I managed  
22 financial claims audits. I don't recall other  
23 specifics while a manager.

24 Q. And did you have any other positions  
25 at North America Life and Casualty?

1 B. WESTMAN

2 A. Yes. I also held several comptroller  
3 and/or CFO positions for several divisions of  
4 the organization.

5 Q. And did you hold those comptroller and  
6 CFO positions contemporaneous with your  
7 financial manager positions?

8 A. No, those were promotions.

9 Q. Okay. And so how long -- when did you  
10 move into a comptroller position?

11 A. I don't recall the date.

12 Q. Do you remember approximately what  
13 year?

14 A. I don't.

15 Q. Do you recall how long you were in  
16 comptroller or CFO positions?

17 A. Ten to fifteen years.

18 Q. And how long were you at North America  
19 Life in total?

20 A. Twenty years.

21 Q. And what were your responsibilities as  
22 comptroller?

23 A. They varied. Generally, financial  
24 analysis, managing budgets and expenses,  
25 management reporting.

1 B. WESTMAN

2 Q. And when did -- where did you go after  
3 North America Life and Casualty, which I guess  
4 was Allianz Life at that time?

5 A. I worked at a consulting firm Hudson  
6 Financial.

7 Q. And what kind of consulting does  
8 Hudson Financial do?

9 A. Financial, financial consulting for  
10 businesses.

11 Q. And who were your primary clients when  
12 you were at Hudson Financial?

13 A. My initial client was a non-profit  
14 organization, ELCA Board of Pensions.

15 Q. Did you have any subsequent clients?

16 A. My next client was ResCap, Residential  
17 Capital.

18 Q. And what financial services did you  
19 provide to ResCap?

20 A. I was a member of the Financial  
21 Control Team, so I worked on various projects  
22 within that team.

23 Q. And do you recall what year you  
24 started working with ResCap?

25 A. 19 -- excuse me, 2007.

1 B. WESTMAN

2 Q. And what projects did you work on  
3 within the Financial Control Team?

4 A. I worked -- the main project that I  
5 worked on was establishing process and  
6 procedures for the Ally revolver facility.

7 Q. Can you describe what the Ally  
8 revolver facility that you're referring to is?

9 A. It is the -- was a parent borrowing  
10 from -- that ResCap borrowed from its parent  
11 Ally and it was a funding facility.

12 Q. And what processes and procedures had  
13 to be put in place in connection with that  
14 facility?

15 A. Mainly, the tracking and monitoring of  
16 the collateral that supported the facility.

17 Q. And why did you have to track and  
18 monitor the collateral that secured that  
19 facility?

20 A. We had required monthly reporting of  
21 the collateral for that facility and produced  
22 that monthly collateral report.

23 Q. You said "we had required monthly  
24 reporting". Is that Hudson required ResCap to  
25 provide the monthly reporting?

1 B. WESTMAN

2 A. I was working under the direction of  
3 ResCap, so this was a ResCap funding facility  
4 with its parent Ally.

5 Q. So who required the monthly reporting  
6 of collateral?

7 A. Ally as part of the revolver facility.

8 Q. And were there certain minimum or  
9 maximum thresholds regarding net worth or  
10 solvency that had to be demonstrated in  
11 connection with that facility?

Plaintiff's  
Objection  
21:8-15  
Objection to  
form; vague  
and  
ambiguous

12 MR. KERR: Objection.

13 A. Not in connection with the monthly  
14 reporting, but under the facility there were net  
15 worth requirements.

16 Q. And what were the net worth  
17 requirements?

18 A. There was a requirement for obligors  
19 under that agreement to maintain a minimum net  
20 worth or be in a solvent position.

21 Q. And who were the obligors under that  
22 agreement?

23 A. There were -- there were a variety.  
24 There were subsidiaries of ResCap.

25 Q. Were all of ResCap's facilities

1 B. WESTMAN

2 obligors under the facility?

3 A. Not to my knowledge, no.

4 Q. Did you track intercompany  
5 transactions in connection with the monthly  
6 reporting on that facility?

7 A. No.

8 Q. Did you track intercompanies for the  
9 purpose of evaluating whether the obligors under  
10 that facility maintained their minimum net worth  
11 requirements?

12 MR. KERR: Objection.

13 A. An intercompany balance would have  
14 been part of any balance sheet and would have  
15 impacted their net worth.

16 Q. What do you mean when you say "part of  
17 their balance sheet"?

18 A. Net worth is defined by the equity  
19 within the individual entity, and intercompany  
20 transactions were part of the balance sheet of  
21 that entity; therefore, they impacted the  
22 equity.

23 Q. You say balance sheet, do you mean  
24 assets and liabilities of the company?

25 A. Yes.

1 B. WESTMAN

2 Q. And how long did you remain in a  
3 consulting role for ResCap at Hudson Financial?

4 A. I became an employee at ResCap in  
5 2010. I'm sorry, I -- I may have misspoke. I  
6 started with ResCap in 2008, March of 2008.

7 Q. Did you -- sorry.

8 A. I'm sorry. I was a contractor from  
9 2008 through 2010 and then was an employee.

10 Q. And so you were technically employed  
11 by Hudson Financial, but you were under contract  
12 with ResCap?

13 A. From 2008 until 2010, yes.

14 Q. And did you work for any other clients  
15 during that time?

16 A. No.

17 Q. And were your offices at ResCap?

18 A. Yes.

19 Q. And what was your position when you  
20 transitioned to being an employee of ResCap in  
21 2010?

22 A. Senior director.

23 Q. And what were your responsibilities as  
24 senior director?

25 A. I was responsible for financial

1 B. WESTMAN

2 controls, which included continuing with the  
3 Ally revolver and Ally line of credit funding  
4 facility, reporting process; was also  
5 responsible for Sarbanes-Oxley or SOx work for  
6 ResCap, and also managed the -- responsible for  
7 the general ledger functions within ResCap and a  
8 change management function.

9 Q. I didn't hear the last? And a?

10 A. A change management function.

11 Q. What is a change management function?

12 A. It was a process that ResCap had to  
13 monitor significant events or transactions  
14 within the company and ensure that that change  
15 was implemented in a controlled manner.

16 Q. Can you give me an example of a  
17 significant event or transaction that would be  
18 monitored?

19 A. Could be entering into a sale  
20 transaction, a new funding transaction, a  
21 significant organizational change, anything that  
22 may impact the financial statements. It was  
23 focused on impact to the financial statements.

24 Q. Can you -- you said you had  
25 responsibility for the general ledger function?

Plaintiff's  
Objection  
24:24-26:8  
Incomplete  
(FRE 106)



1 B. WESTMAN

2 A. Yes.

3 Q. Can you describe how ResCap maintained  
4 its general ledger?

5 A. ResCap had one or more general ledger  
6 systems at different periods of time and  
7 transactions were entered into the general  
8 ledger and a monthly close process would be  
9 performed to produce trial balances and  
10 financial statements on a monthly basis.

11 Q. And was the general ledger maintained  
12 on a consolidated basis?

13 A. The general ledger was maintained for  
14 each individual legal entity and then those  
15 legal entities were consolidated.

16 Q. And what were your responsibilities in  
17 connection with the general ledger function?

18 A. The team that managed the month-end  
19 process reported to me, so ensuring that the  
20 month-end -- that transactions were entered,  
21 that the month-end was properly closed and  
22 consolidated, and that we produced monthly trial  
23 balances and financial statements in a timely  
24 manner.

25 Q. And were intercompany transactions

1 B. WESTMAN

2 recorded in the general ledger?

3 A. Yes, they were.

4 Q. And were there specific accounts that  
5 intercompany transactions were recorded into?

6 A. Yes. Intercompany receivables and  
7 payables were recorded in certain general ledger  
8 accounts.

9 Q. And do you recall which specific  
10 intercompany accounts they would have been  
11 recorded into?

12 A. I do not. There were many.

13 Q. And you said intercompany receivables  
14 and payables were recorded in certain general  
15 ledger accounts. Were there other intercompany  
16 transactions that were recorded elsewhere?

17 A. There would be other transactions that  
18 were with two different entities. For instance,  
19 if an entity sold an asset to another entity,  
20 each entity would have a gain -- one would have  
21 a gain and one would have a loss. Those would  
22 be considered intercompany balances, but they  
23 were not intercompany receivable payables. They  
24 were intercompany transactions that needed to be  
25 monitored for financial statement purposes.

1 B. WESTMAN

2 Q. And would those also be recorded in  
3 the intercompany accounts?

4 A. The gain and loss would not be  
5 recorded in the intercompany  
6 receivable/payables. They would be recorded in  
7 income statement accounts, for instance. If  
8 they generated an intercompany receivable or  
9 payable, those would be recorded in the  
10 intercompany accounts.

11 Q. Can you give me an example of how they  
12 would generate an intercompany receivable or  
13 payable?

14 A. Again, if one entity sold assets to  
15 another entity, that the purchasing entity would  
16 record that asset. They may also record a gain  
17 or a loss. If they did not pay cash for those  
18 assets, then they would record an intercompany  
19 payable to the entity they purchased that from.

20 An entity that sold the assets would  
21 have an intercompany receivable from the entity  
22 purchasing the assets, and they would remove the  
23 assets from their balance sheet and they would  
24 also have the associated gain or loss.

25 Q. And in your experience at ResCap, were

1 B. WESTMAN

2 sale transactions like that recorded as  
3 intercompany receivables and payables when cash  
4 was not transferred?

5 A. Yes, they were.

6 Q. Did you have any other positions other  
7 than senior director at ResCap?

8 A. No.

9 Q. Is that your current position?

10 A. I'm currently a senior director. I am  
11 also currently the comptroller.

Plaintiff's  
Objection  
28:9-14  
Incomplete  
(FRE 106)

12 Q. And when did you become the  
13 comptroller?

14 A. February or March of this year.

15 Q. Did your responsibilities change at  
16 any time between joining ResCap as an employee  
17 in 2010 and today?

18 A. Yes, they changed earlier this year  
19 when I also took over responsibility for --  
20 larger responsibility for the month-end  
21 financial statements and analysis of the  
22 financial statements. I also took over managing  
23 the CFDR, which is a data repository.

24 Q. What kind of data is maintained in the  
25 CFDR?

1 B. WESTMAN

2 A. It tracks certain assets within the  
3 organization and maintains asset-level detail  
4 that will tie to the general ledger for certain  
5 asset populations, and that data is also used as  
6 an input into the revolver line of credit  
7 reporting processes.

8 Q. What do you mean by "asset  
9 populations"?

10 A. For instance, mortgage loans that  
11 ResCap owns are maintained in CFDR. Each  
12 individual mortgage loan is listed within the  
13 database.

14 Q. Is there any information regarding  
15 intercompany transactions in the CFDR?

16 A. Not prior to bankruptcy, but  
17 post-bankruptcy there may have been certain  
18 intercompany balances that were maintained in  
19 CFDR for intercompany balances with our parent  
20 or other outside affiliates.

21 Q. So there are no intercompany -- there  
22 is no data relating to intercompany transactions  
23 within the ResCap group in CFDR?

24 MR. KERR: Objection.

25 A. Correct.

1 B. WESTMAN

2 Q. I've been using the term intercompany  
3 transactions. Can you, just so that we're  
4 clear, can you explain what your understanding  
5 of an intercompany transaction is?

6 MR. KERR: Are you asking for her to  
7 explain your understanding of it or -- she's  
8 been using "intercompany balances."

9 MS. MILLER: Okay.

10 Q. What is your understanding of an  
11 intercompany transaction?

12 A. An intercompany transaction would be,  
13 as I explained earlier, when entities have  
14 entered into a transaction with each other which  
15 may generate various different types of  
16 intercompany items within the general ledger.  
17 One of those types might be intercompany  
18 receivables or payable balances.

19 Q. And what's an intercompany balance?

20 A. An intercompany receivable or payable  
21 is an entry within the general ledger that  
22 represents a receivable from one entity and a  
23 payable from another entity on a GAAP  
24 perspective.

25 Q. What's an intercompany balance?

1 B. WESTMAN

2 MR. KERR: Objection. Asked and  
3 answered.

4 A. An intercompany balance is not a  
5 defined term, to my knowledge. I would use that  
6 to indicate an intercompany receivable or  
7 payable.

8 Q. Would you use that to indicate the net  
9 intercompany receivable or payable as a result  
10 of aggregating all intercompany transactions?

11 A. It could be used in that context.

12 Q. Is that how you would use it?

13 A. It depends what -- what I was talking  
14 about, whether I was talking about individual  
15 transactions or a listing of net balances of  
16 intercompany transactions. So it would depend  
17 on the context or the source that I was looking  
18 at.

19 Q. I'm not trying to be difficult, but  
20 your counsel indicated that you were using the  
21 term "intercompany balance" as opposed to my use  
22 of "intercompany transactions." I'm just trying  
23 to understand if there is a difference between  
24 those in the way you would use those terms.

25 So let me just try one more time. If

1 B. WESTMAN

2 you used the term "intercompany balance," what  
3 would you be referring to?

4 MR. KERR: Objection. Asked and  
5 answered.

6 A. Generally, the intercompany  
7 receivables and payables between the  
8 organizations.

9 Q. And you noted that ResCap had certain  
10 intercompany balances between Ally and other  
11 outside affiliates that are non-Debtors. For  
12 sake of clarity, unless I specify, when I refer  
13 to "intercompany balances" or "intercompany  
14 transactions" today, I'm going to be limiting my  
15 questions to those intercompany -- those  
16 intra-ResCap subsidiary and affiliate  
17 intercompany balance -- intercompany  
18 transactions or balances.

19 A. Okay.

20 Q. Ms. Westman, did there come a time  
21 before ResCap filed for bankruptcy that you were  
22 asked to collect information regarding the  
23 intercompany balances?

24 A. Yes.

25 Q. And who asked you for that



1 B. WESTMAN

2 information?

3 A. I believe it generally started with a  
4 request from our parent for a project that they  
5 were working on to review intercompany balances.

6 Q. And when was that request made?

7 A. In the fall of 2011.

8 Q. And do you understand what the scope  
9 of the review of intercompany balances was?

10 A. Could you repeat the question?

11 Q. Do you understand what the scope of  
12 Ally's review of intercompany balances was?

13 MS. WU: Objection.

14 A. I knew generally what they were asking  
15 us to review as part of that project.

16 Q. And what were they asking you to  
17 review?

18 A. To review our intercompany balances  
19 and compliance with their intercompany -- Global  
20 Intercompany Policy.

21 Q. Did you undertake that review?

22 A. Yes.

23 Q. And who assisted you with that review?

24 A. Various members of the Finance Team  
25 were involved in that --

1 B. WESTMAN

2 Q. And what --

3 A. -- process.

4 Q. What specifically did you do?

5 A. We created lists of the various  
6 intercompany receivables and payables among the  
7 various entities, and we reviewed information  
8 about those intercompany balances, determining  
9 whether or not they had interest charged, if  
10 they were settled, if there were agreements that  
11 supported the balances.

12 Q. And prior to this review, had you ever  
13 looked into whether there were agreements that  
14 supported the balances?

15 MR. KERR: Objection.

16 A. Not that I recall. There may have  
17 been an individual question throughout the  
18 history of -- at ResCap, but not as a  
19 consolidated project that I was aware of.

20 Q. And have you ever before considered  
21 whether interest was charged?

22 A. Personally, no.

23 Q. And upon your review, was it  
24 determined that ResCap was in compliance with  
25 the Global Intercompany Policy?

1 B. WESTMAN

2 A. Certain balances were in compliance  
3 and certain balances were not.

4 Q. And what about -- what did compliance  
5 require?

6 MR. KERR: Objection.

7 MS. WU: Objection.

8 A. Generally, that they were  
9 cash-settled, the items that I mentioned that  
10 were in the policy.

11 MS. MILLER: I apologize. Given the  
12 volume of documents produced last week --

13 MR. KERR: No. No. No. Take your  
14 time.

15 MS. MILLER: -- they're not in the  
16 best order.

17 I'd like to mark as Westman Exhibit 2  
18 a document that was marked for production  
19 RCJSN1004 through -- no, 10041452 through  
20 1455, with its attachments.

21 (Westman Exhibit 2, a document with  
22 attachments bearing Bates Nos. RCJSN10041452  
23 through 1455, marked for identification, as  
24 of this date.)

25 BY MS. MILLER:

Plaintiff's  
Objection  
35:17-36:7  
Lack of  
foundation  
(FRE 602, 901,  
903);  
incomplete  
(FRE 106)

1 B. WESTMAN

2 Q. Ms. Westman, I have marked as Exhibit  
3 2 an e-mail from you, a chain of e-mails, the  
4 top one of which is an e-mail from you to Stan  
5 Venne and Jacob Bazella dated 9/10/11, with the  
6 subject Intercompany Files. Do you see that?

7 A. Yes.

8 Q. Do you recall this document?

9 A. Generally, yes.

10 Q. And does this document relate to the  
11 review of intercompanies that you conducted in  
12 the fall of 2011 to determine whether ResCap's  
13 intercompanies were in compliance with Ally's  
14 Global Policy?

15 A. Yes, this would have been in the early  
16 stages of that project.

17 Q. In bullet 2 or the numbered 2 in the  
18 text of your e-mail, you state in the last  
19 sentence of the first paragraph, "If the balance  
20 just changes because we push cash up and down  
21 the food chain, that needs to go in the  
22 exception category." What are you referring to?

23 A. Let me read the document.

24 Q. Sure.

25 (Document review.)

1 B. WESTMAN

2 A. What that's referring to is the  
3 categorization of intercompany balances within  
4 the document. Again, this was an early working  
5 version and there were balances that indicated  
6 that they settled, but in fact I believed they  
7 belonged down in Section 4, where they were  
8 actually part of our cash management process  
9 where cash was moved between entities, and so I  
10 was asking Stan to move them to the other  
11 category.

12 Q. Can you describe the cash management  
13 system in place at ResCap at this time?

14 A. The cash management process generally  
15 referred to the aggregation of cash within  
16 ResCap so that it could be most efficiently used  
17 for any entity within the organization that  
18 required cash.

19 Q. And where was the cash aggregated?

20 A. The cash generally was aggregated up  
21 to the ResCap level for distribution back down  
22 to those subsidiaries that would require it. It  
23 was held in different accounts within the  
24 organization but generally brought up to the top  
25 level, as needed.

1 B. WESTMAN

2 Q. So if, for example, Homecomings  
3 Financial, LLC generated cash, how did that cash  
4 move?

5 A. It could have moved a variety of ways.  
6 That cash could have moved directly to ResCap.  
7 It could have moved to RFC, its parent. There  
8 was not necessarily a standard way that would  
9 occur. It depended on the transaction, time  
10 period, et cetera.

11 Q. And if it got moved up to RFC, would  
12 it then get swept up the next level to ResCap in  
13 an aggregating account?

14 A. It could, unless RFC needed the cash.  
15 It could be swept to RFC to be used by RFC. If  
16 it wasn't needed by RFC, it may have been swept  
17 up to ResCap to be used by another entity.

18 Q. And did subsidiaries or individual  
19 entities within the ResCap family make their own  
20 disbursements?

21 MR. KERR: Objection.

22 A. Could you rephrase the question?

23 Q. Did ResCap's subsidiaries have their  
24 own accounts from which disbursements were made  
25 on their behalf?

Plaintiff's  
Objection  
38:18-22:  
objection to  
form; vague  
and  
ambiguous

1 B. WESTMAN

2 A. Certain subsidiaries had accounts  
3 where they would make disbursements. Not every  
4 subsidiary had those types of accounts.

5 Q. Do you recall which subsidiaries had  
6 disbursement accounts?

7 A. I don't recall offhand. GMAC Mortgage  
8 and RFC would have made disbursements. Beyond  
9 those entities, I don't recall which other  
10 individual subsidiaries.

11 Q. Do you know whether there were other  
12 individual subsidiaries that had their own  
13 disbursement accounts?

14 A. Yes, I believe there were.

15 Q. And were those accounts held in the  
16 name of, in the case of GMAC Mortgage, GMAC  
17 Mortgage?

18 A. Yes, if it was GMAC Mortgage's account  
19 on GMAC Mortgage's balance sheet, it should be  
20 in the name of GMAC Mortgage.

21 Q. And were there instances where ResCap  
22 would make disbursements on behalf of RFC?

23 A. It could have occurred.

24 Q. And if it did occur, how would it be  
25 recorded in the books and records?

Plaintiff's  
Objection  
39:24-40:7,  
lack of  
personal  
knowledge  
(FRE 602);  
impermissible  
lay opinion

1 B. WESTMAN

2 MR. KERR: Objection.

3 A. If ResCap made a disbursement on  
4 behalf of RFC, it would have recorded an  
5 intercompany transaction that RFC had a payable  
6 to ResCap for that disbursement ResCap made on  
7 its behalf.

8 Q. And would that be recorded in an  
9 intercompany account?

10 A. Yes, that payable balance would be  
11 recorded in an intercompany account.

12 Q. Do you know if Homecomings Financial  
13 had its own disbursement account?

14 A. I don't recall.

15 Q. Do you know whether RFC Asset Holdings  
16 II, LLC had its own disbursement account?

17 A. I don't know.

18 Q. Who would know?

19 A. Over different time periods, that  
20 would be different individuals. I'm not sure  
21 there is anyone left in the organization that  
22 would have that entire historical perspective.

23 Q. Would anyone in the company know as of  
24 the fall of 2011?

25 A. Someone in the company may be able to



1 B. WESTMAN

2 look at records to determine that.

3 Q. Have you looked at those records?

4 A. I have not.

5 Q. How frequently was cash swept up to  
6 the parent entity in the cash management  
7 process?

8 A. Cash could be moved daily.

9 Q. Was the cash management process  
10 formalized in a policy?

11 A. It was not formally documented. It  
12 was generally due to a requirement under the  
13 Ally line of Credit Agreement as to what cash  
14 ResCap could maintain.

15 Q. Was there any assessment of the amount  
16 of cash that ResCap could maintain under the  
17 Ally line of Credit Agreement when the daily  
18 sweep occurred?

19 A. Yes. That had to be forecasted on a  
20 daily basis to make ensure that we met the  
21 requirements of that agreement.

22 Q. How was it determined which account --  
23 which amounts would be swept?

24 A. I don't know the specific process, but  
25 there was a forecasting process and cash -- the

1 B. WESTMAN

2 Treasury Department managed those cash balances  
3 so would know what cash was available and could  
4 calculate -- calculate that cash and determine  
5 what was required to be repaid or what borrowing  
6 might need to occur to meet the cash needs.  
7 There was a cash forecasting process.

8 Q. And who was responsible for the cash  
9 forecasting process?

10 A. The Treasury Department.

11 Q. And who specifically within the  
12 Treasury Department?

13 A. It was different over different  
14 periods of time.

15 Q. In the fall of 2011, who was  
16 responsible for it?

17 A. I don't recall specifically. Most  
18 likely was Joe Ruhlin, but I'm not positive of  
19 the dates that he was the ResCap treasurer.

20 Q. And who -- do you know who had that  
21 position before Joe?

22 A. I don't know the exact individual. I  
23 know individuals within Treasury.

24 Q. And do you know if it was Treasury's  
25 responsibility to effectuate the sweeps?

1 B. WESTMAN

2 A. Yes, it was.

3 Q. Would you describe it as an automated  
4 process?

5 A. No, I don't believe it was necessarily  
6 automated. It was performed by implementing  
7 various wire transfers, performing calculations,  
8 doing wire transfers of money.

9 Q. How are the sweeps documented?

10 A. The wire transfer transactions would  
11 be performed. Those would create journal  
12 entries within the general ledger. They would  
13 also be documented within the various bank  
14 accounts and bank statements.

15 Q. Would they also result in intercompany  
16 payables and receivables being booked in the  
17 intercompany accounts?

18 A. Yes, they would.

19 Q. Were these -- were these cash  
20 management sweeps done in the ordinary course on  
21 a daily basis?

22 A. Yes.

23 Q. And other than the wire transfers and  
24 bank account records and entries in the general  
25 ledger, was there any formal documentation of

Plaintiff's  
Objection  
43:9-22  
Incomplete  
(FRE 106)

1 B. WESTMAN

2 those transactions?

3 MR. KERR: Objection.

4 A. That would be the formal documentation  
5 of those transactions.

6 Q. So the fact that the transaction  
7 happened was recorded?

8 A. Correct.

9 Q. Was there any documentation of a  
10 request that the transfer happen?

11 A. There would have been an approval  
12 process for performing a wire transfer, so there  
13 would be documents that were created to generate  
14 that cash movement.

15 Q. How was an equity contribution from a  
16 parent to a subsidiary recorded in the general  
17 ledger?

18 A. It would be recorded as additional  
19 paid-in capital for the subsidiary.

20 Q. And during your time at ResCap, were  
21 there instances where such capital contributions  
22 were made from parent to subsidiaries?

23 A. There may have been. I don't  
24 specifically recall an instance.

25 Q. And would those have been recorded in

1 B. WESTMAN

2 the intercompany accounts receivable and  
3 payable?

4 A. They would not.

5 Q. And what if a subsidiary wanted to  
6 provide a dividend or a distribution to a parent  
7 entity, how would that be reflected in the  
8 general ledger?

9 A. It would be a reduction of paid-in  
10 capital from the subsidiary. They would be  
11 returning paid-in capital or returning retained  
12 earnings. So it would be recorded as an equity  
13 transaction.

14 Q. And would that be recorded in the  
15 intercompany accounts payable and receivable in  
16 the general ledger?

17 A. It would not assuming cash and that it  
18 was an actual cash contribution or cash  
19 distribution back to the parent.

20 Q. And who determined whether a  
21 transaction should be accounted for in an  
22 intercompany accounts payable or a receivable as  
23 opposed to a capital account?

24 A. Intercompany payables and receivables  
25 happened in the normal course of business. A

1 B. WESTMAN

2 capital contribution or a dividend would have  
3 been something that had to be declared by the  
4 board of those entities and would have been a  
5 specific type of transaction.

6 Q. And based on your review of the  
7 intercompany transactions that occurred within  
8 the ResCap group, would you say that they're --  
9 are they consistent with -- strike that.

10 Did intercompany transactions require  
11 specific board approval?

12 A. Generating an intercompany receivable  
13 or payable did not.

14 Q. Okay. I'd like to go back to the  
15 document that we marked Westman 2, and with that  
16 context, hopefully I can understand it.

17 Focusing now on bullet 4, which you  
18 referenced earlier, which is titled "Tab for the  
19 Cash Management exception request," what is the  
20 cash management exception request?

21 A. As part of the certification process  
22 to Ally that I mentioned, we reviewed the cash  
23 management function with Ally to determine if  
24 they would agree that that met the requirements  
25 of the accounting policy, and they did in fact

1 B. WESTMAN

2 agree that that activity or process was in  
3 compliance with their policy.

4 Q. And what was their policy?

5 A. The policy generally discussed that  
6 transactions would be settled on a regular  
7 basis, and we determined that due to the  
8 functions of the cash management process, that  
9 that would meet the requirement, did not need to  
10 be fully cash-settled, which would be  
11 counterintuitive to the cash management process.

12 Q. Can you explain what you mean by "that  
13 would be counterintuitive to the cash management  
14 process"?

15 A. The intercompany receivables or  
16 payables are created by moving cash up to the  
17 parent in order to use that cash or use that  
18 cash to pay down the line of credit. You  
19 couldn't, therefore, also give the cash back to  
20 settle that intercompany.

21 That cash up or down could happen on a  
22 regular basis, so cash would move either  
23 direction depending on the needs of the  
24 organization.

25 Q. I'd like to -- if you could turn to

1 B. WESTMAN

2 the first exhibit, which is Bates-stamped  
3 RCJSN10041456, which every page has the same  
4 Bates number, which makes me believe that it was  
5 produced in native format and, unfortunately,  
6 the printing is not the easiest to follow, but  
7 hopefully we can work through it.

8 I think the way it works, and you can  
9 correct me if I'm wrong, is that the table runs  
10 across the first page and the back of that page,  
11 and then the next table starts with the columns  
12 to the right are printing out on the reverse  
13 page.

14 A. Okay.

15 Q. So, turning to what is the second tab  
16 in the spreadsheet on the page titled  
17 "Intercompany Relationships that have Cash  
18 Movement," what do you mean -- or, sorry, let me  
19 step back. Do you recognize this spreadsheet?

20 A. I do. It's a working copy of a  
21 document that ultimately became our -- part of  
22 our certification.

23 Q. And is it a document that you  
24 prepared?

25 A. I did not prepare it myself, but I



1 B. WESTMAN

2 reviewed it.

3 Q. And did you assist in the preparation?

4 A. I made comments, et cetera, but didn't  
5 make any -- make those changes to the document,  
6 to my knowledge.

7 Q. Focusing on the second page, which is  
8 the tab of the spreadsheet titled "Intercompany  
9 Relationships that have Cash Movement," do you  
10 know what's meant by "cash movement"?

11 A. I don't specifically since this was a  
12 working version. To my recollection, these  
13 would have been balances where we were seeing  
14 activity in the general ledger continuing to  
15 occur.

16 Q. And how is that distinct from  
17 intercompany relationships that cash-settled?

18 A. I believe that -- excuse me. Let me  
19 review a minute.

20 I don't specifically recall the  
21 distinction in these two tabs.

22 Q. So do you know what "Intercompany  
23 Relationships that have Netting Position  
24 Agreements" is referring to?

25 A. Intercompany positions that have

1 B. WESTMAN

2 relationships that have netting position  
3 agreements, these were generally derivatives or  
4 other arrangements where cash would be moved  
5 between entities in relation to a particular  
6 agreement that required that cash.

7 Q. And if you turn to the second  
8 attachment, which is Bates-stamped  
9 RCJSN10041457, it says "Intercompany  
10 Relationship" -- it's titled "Intercompany  
11 Relationships that Do Not Settle." What are --  
12 what's your understanding of what intercompany  
13 relationships that do not settle are?

14 A. These were transactions that were not  
15 having any type of a cash payment made  
16 associated with them to reduce the balance.

17 Q. Was cash being exchanged to generate  
18 the balance?

19 A. Cash may have been exchanged to  
20 generate the balance depending on the type of  
21 transaction.

22 Q. So in the Account Description column,  
23 I note that some of the entries are -- some of  
24 the account descriptions are designated  
25 intra-company payable and some are interco

1 B. WESTMAN

2 payable. Do you have an understanding of what  
3 that distinction is?

4 A. I don't believe there is a  
5 distinction. In some instances, that may have  
6 been an account description that came directly  
7 from the ledger, and in others it may have been  
8 something that an individual typed in to  
9 describe the balance, depending on the  
10 particular line item.

11 Q. And so that's not an attempt to  
12 distinguish between intra-ResCap intercompanies  
13 and ResCap/Ally intercompanies?

14 A. No.

15 Q. And if you turn to the third page of  
16 the exhibit, which is, if I'm following the  
17 spreadsheet properly, actually the continuation  
18 of the first page, the columns that would  
19 continue to the right of the first page, and for  
20 a number of them there the Action Proposal is  
21 Cash Management Exception.

22 Does that mean that ResCap was to  
23 request from Ally that these accounts not be  
24 settled; that Ally not require that these  
25 accounts be settled on a regular basis but

1 B. WESTMAN

2 instead be subject to a cash management process  
3 exception that you described earlier?

4 A. Correct.

5 MS. MILLER: I'd like to mark as  
6 Westman Exhibit 3 a document that was  
7 Bates-stamped for identification  
8 RCJSN10041500 through 502.

9 (Westman Exhibit 3, a document bearing  
10 Bates Nos. RCJSN10041500 through 502, marked  
11 for identification, as of this date.)

12 (Document review.)

13 BY MS. MILLER:

14 Q. Ms. Westman, I marked as Westman  
15 Exhibit 3 an e-mail chain, the top one of which  
16 is from Brooke Jeffress to -- I'm not going to  
17 do this properly -- Kwab Gyasi-twum and Stan  
18 Venne, dated 9/12/11, and the subject is Cash  
19 Management Policy, and you're copied on this  
20 e-mail. Do you see that?

21 A. Yes.

22 Q. And does this e-mail relate to the  
23 analysis that you were undertaking in the fall  
24 of 2011 to determine whether ResCap's  
25 intercompanies complied with Ally's Global

1 B. WESTMAN

2 Policy?

3 A. I'm sorry. Could you repeat the  
4 question?

5 Q. Yes. I'll say it more succinctly.  
6 Does this -- does this e-mail relate  
7 to the same analysis that was being conducted in  
8 the e-mail chain that was marked as Westman 2  
9 that we were just discussing?

10 A. Yes.

11 Q. And do you recall this e-mail?

12 A. Yes.

13 Q. And if you were CC'd on an e-mail like  
14 this, would it be your general practice to read  
15 it?

16 A. Generally, yes.

17 Q. And if you were CC'd on a chain that  
18 was not -- that you were not included on  
19 initially in a subsequent correspondence, would  
20 you generally go down and read the original  
21 e-mails in the chain?

22 A. It would depend on the topic and  
23 whether it was relevant.

24 Q. You were specifically involved in this  
25 project, correct?

1 B. WESTMAN

2 A. Correct.

3 Q. The first e-mail in this chain is an  
4 e-mail dated September 12, 2011 between -- from  
5 Mr. Venne to Mr. Gyasi-twum and in which he  
6 notes --

7 First of all, who is Mr. Venne?

8 A. He was on the General Ledger Team. He  
9 was one of the individuals that was working on  
10 creating an inventory of the intercompany  
11 balances.

12 Q. So he was a ResCap employee?

13 A. Yes.

14 Q. And who is Mr. Gyasi-twum?

15 A. He was within the Treasury Department.

16 Q. And was he also a ResCap employee?

17 A. Yes, he worked for ResCap. He may  
18 have -- excuse me. Treasury was a centralized  
19 function, so he may have been an Ally employee  
20 who was responsible for ResCap.

21 Q. So that's why he has an Ally title and  
22 an Ally e-mail address?

23 MR. KERR: Objection.

24 Q. So in that first e-mail, Mr. --

25 MR. KERR: Are you at the bottom of

1 B. WESTMAN

2 the chain?

3 MS. MILLER: I'm at the bottom of the  
4 chain, the first chronologically, the 10:48  
5 e-mail of September 12 from Mr. Venne to Mr.  
6 Gyasi-twum.

7 BY MS. MILLER:

8 Q. And do you see that Mr. Venne states  
9 that, in the second sentence, "We have a number  
10 of intercompany relationships within ResCap (RFC  
11 and Resi) that do not cash settle and the  
12 balance continues to grow"?

13 A. Yes.

14 Q. Do you believe that that was an  
15 accurate statement?

16 A. Yes.

17 Q. And just for clarity, what entity is  
18 "Resi" referring to?

19 A. In this context, I believe "Resi" may  
20 mean GMAC Mortgage, but it can be used to mean  
21 GMAC Mortgage or GMAC Residential Holding,  
22 Mortgage's parent.

23 Q. So "Resi" can be -- can be referring  
24 to either GMAC Residential Holding or GMAC  
25 Mortgage?

1 B. WESTMAN

2 A. Depending on the individual.

3 Q. Good way to confuse things.

4 But you believe here it's referring to  
5 GMAC Mortgage?

6 A. That would be my belief, yes.

7 Q. So I'm going to ask you now, just  
8 because it seems like everything is up in the  
9 air, to confirm what is "RFC" referring to?

10 A. Residential Funding Company.

11 Q. Okay. Is that one consistently used  
12 throughout the organization?

13 A. Should be, yes.

14 Q. And Mr. Venne then continues, "Many of  
15 these relationships seem to be created by cash  
16 movement." And do you agree with that  
17 statement?

18 A. I'm not sure what he's basing that on  
19 so I guess I can't opine on that.

20 Q. Is it your understanding that many of  
21 the intercompany relationships between RFC and  
22 Resi are created by cash movement?

23 A. That is -- that is a way that balances  
24 can be created, yes.

25 Q. Have you ever looked at the



1 B. WESTMAN

2 intercompany balances and how they arose?

3 A. We've reviewed intercompany balances,  
4 but there are thousands of transactions.

5 Q. And are the majority of those  
6 transactions cash movement through the cash  
7 management process?

8 A. I couldn't say.

9 Q. Any reason to believe that the  
10 majority of those transactions are not generated  
11 through the movement of cash through the cash  
12 management process?

13 A. They can be created for many different  
14 processes. They can be generated from the lack  
15 of movement of cash rather than the movement of  
16 cash.

17 Q. Can you explain how an intercompany  
18 receivable or payable can be generated through a  
19 lack of movement of cash?

20 A. If one entity pays an expense for  
21 another entity and it'll create a receivable  
22 from that entity that it paid that expense on  
23 behalf of. It didn't actually exchange cash  
24 with that entity. The reason it has an  
25 intercompany is because it did not exchange

1 B. WESTMAN

2 cash.

3 Q. And so the payment, for example, of --  
4 by RFC on behalf of RFC Asset Holdings -- sorry.  
5 Strike that.

6 Would you consider the payment of an  
7 obligation of RFC Asset Holdings II, LLC by Res  
8 Funding Company to be a movement of cash --

9 MR. KERR: Objection.

10 Q. -- within the intercompany accounts?

11 A. Could you repeat the question?

12 Q. Yes.

13 Would the payment of an expense on  
14 behalf of a subsidiary be part of the cash  
15 management process?

16 A. I wouldn't necessarily put that in the  
17 cash management process, but it's not -- it's  
18 not a specific definition for the process.

19 Q. Well, if, for example, Homecomings'  
20 cash is swept on a daily basis up to RFC, is  
21 there an -- is there an alternative method other  
22 than through the cash management process that  
23 Homecomings could satisfy any of its financial  
24 obligations?

25 MR. KAUFMAN: Object to form.

1 B. WESTMAN

2 MR. KERR: Objection.

3 A. If Homecomings kept cash and  
4 maintained cash, it may pay its own obligations  
5 and excess cash may be swept. I'm not familiar  
6 with how Homecomings' payments were made.

7 Q. Just so I'm clear, when you refer to  
8 the cash management process, are you referring  
9 only to the maintenance of certain cash balances  
10 within the ResCap group and the movement of  
11 money to accomplish those balances?

12 A. I would generally be referring to the  
13 process where cash was aggregated for use within  
14 the organization in conjunction with the line of  
15 credit.

16 Q. But you would not consider the use of  
17 that cash that has been aggregated to also fall  
18 within the cash management process?

19 MR. KERR: Objection.

20 A. It could. I did not think of it that  
21 way, but the cash management process is not a  
22 set, defined process. It's an explanation of a  
23 cash-sweeping process.

24 Q. Do you know when the cash-sweeping  
25 process was first put in place within ResCap?

1 B. WESTMAN

2 A. To my knowledge, associated with the  
3 line of credit, the requirement came into  
4 effect. I'm not familiar with the process prior  
5 to that.

6 Q. And when was the line of credit  
7 entered into?

8 A. November of 2008.

9 Q. And was establishing the cash-sweeping  
10 process part of your responsibilities as a  
11 consultant when you were working for ResCap at  
12 Hudson Financial?

13 A. No, that was a Treasury function.

14 Q. And did you work with Treasury on  
15 developing that system?

16 A. No.

17 Q. While you were at Hudson Financial  
18 working as a contractor for ResCap, were you  
19 advised of the cash-sweeping process that was  
20 being put in place?

21 A. I was generally aware of it. I was  
22 not advised on it.

23 Q. And how did you become generally aware  
24 of it?

25 A. Because I was involved in other

1 B. WESTMAN

2 functions or other processes within the line of  
3 credit so had a general knowledge of the  
4 agreement and the processes within the  
5 organization, and also, due to work on  
6 Sarbanes-Oxley, may have been aware of various  
7 process.

8 Q. Have you ever had any responsibility  
9 for monitoring the cash management process  
10 within the company?

11 A. No.

12 MR. KERR: Atara, we've been going an  
13 hour and a half, so whenever a good time to  
14 take a break or whatever.

15 MS. MILLER: Let me finish with this  
16 document.

17 MR. KERR: That's fine.

18 MS. MILLER: And we'll take a break.

19 BY MS. MILLER:

20 Q. Does ResCap still have a cash  
21 management process in place?

22 A. Yes, it has a form of a cash  
23 management process in place.

24 Q. And is it substantially different from  
25 the cash management that was in place

1 B. WESTMAN

2 prepetition?

3 A. Yes, in that ResCap no longer borrows  
4 or pays back to the line of credit so that  
5 process is not in place anymore.

6 Q. Are subsidiary accounts swept daily up  
7 to the parent entity?

8 A. They are. Generally, there is a sweep  
9 process so that cash can be aggregated in  
10 various concentration accounts.

11 Q. And who's responsible for overseeing  
12 that process?

13 A. Treasury.

14 Q. And who in Treasury?

15 A. Paul Grande.

16 Q. And was Mr. Grande employed by ResCap  
17 prepetition?

18 A. He was, but he was not within  
19 Treasury.

20 Q. Looking back at the first e-mail in  
21 the chain, first chronological e-mail in the  
22 chain in Westman 3, Mr. Venne states toward the  
23 middle of the paragraph, "With this cash  
24 management strategy in place, Barb Westman is  
25 suggesting that we write this up as an exception

1 B. WESTMAN

2 to the Ally policy for cash settlement."

3 Was there ever a formal write-up  
4 submitted to Ally?

5 A. There was not to my recollection, no.

6 Q. Was there ever a formal write-up of  
7 the exception that was prepared for your review?

8 A. I don't recall if there was a formal  
9 write-up of the exception. It was generally  
10 discussed through meetings and it was documented  
11 in our final results of what were sent to Ally.

12 Q. What form did the final results that  
13 you submitted to Ally take?

14 A. There was a document similar to what  
15 we looked at before, a final version of the  
16 spreadsheet within Exhibit 2.

17 Q. Do you know when the final spreadsheet  
18 was submitted to Ally?

19 A. Sometime in the first quarter of 2012.

20 Q. And how many meetings did you have  
21 with Ally to discuss the cash management  
22 exception?

23 A. I don't recall.

24 Q. Do you recall having more than one  
25 meeting?

1 B. WESTMAN

2 A. Yes.

3 Q. More than five meetings?

4 A. The meetings were generally to discuss  
5 the intercompany project. I don't recall on how  
6 many occasions we would have discussed the cash  
7 management process.

8 Q. And how frequently did you meet to  
9 discuss the intercompany process, generally?

10 A. I don't recall specifically.

11 Q. Were there regular meetings scheduled?

12 A. I don't believe they were weekly, but  
13 they were ongoing.

14 Q. Did you generally participate in those  
15 meetings?

16 A. Generally, yes.

17 Q. And were those meetings held in  
18 person?

19 A. They were via conference call.

20 Q. And what did you tell Ally regarding  
21 the cash management strategy that ResCap had in  
22 place?

23 A. We discussed the aggregation of cash  
24 to meet the requirements under the line of  
25 credit and how that created or involved the



1 B. WESTMAN

2 various intercompany balances.

3 Q. And did Ally ask any questions about  
4 the cash management exception?

5 A. I don't recall.

6 Q. Do you recall having any discussions  
7 other than beyond -- sorry. Strike that.

8 Do you recall having any discussions  
9 beyond describing the cash management process  
10 and requesting an exception about the  
11 intercompany balances that don't settle?

12 MR. KERR: Objection.

13 A. I don't recall the specific  
14 discussions.

15 Q. And there's a question in here. The  
16 next line says, "Do you have anything written up  
17 that shows this as a company policy or do you  
18 have a list of guidelines/process that is  
19 followed to maintain a certain cash position?"

20 I know you have said there's no  
21 policy, but are there guidelines or processes  
22 regarding the cash management process that  
23 exists within ResCap?

24 A. I believe Kwab answered that and  
25 indicated that there generally are not.

1 B. WESTMAN

2 Q. And is that consistent with your  
3 understanding?

4 A. It's consistent with my reading of his  
5 response and my understanding at the time.

6 Q. Do you have a different understanding  
7 sitting here today?

8 A. No.

9 MS. MILLER: Okay. I think we can  
10 take a break now.

11 MR. KERR: Good time? Okay.

12 THE VIDEOGRAPHER: The time is 11:42,  
13 this is the end of tape labeled number 1.  
14 We're going off the record.

15 (Recess.)

16 THE VIDEOGRAPHER: This is the start  
17 of tape label number 2. The time is 11:58.  
18 We're back on the record.

19 BY MS. MILLER:

20 Q. Ms. Westman, did you speak or meet  
21 with anyone within Treasury in connection with  
22 preparing for your deposition today?

23 A. No.

24 Q. So, looking one e-mail up the chain in  
25 the document that was marked Westman Exhibit 3

1 B. WESTMAN

2 to the e-mail from Mr. Gyasi-twum to Mr. Venne,  
3 time-stamped 12:06 P.M., responding to the  
4 e-mail we were just talking about, Mr.  
5 Gyasi-twum says in the first bullet,  
6 "Intercompany transactions - I believe these do  
7 involve cash movement (i.e., there's daily cash  
8 movement between Mortgage and ResCap)."

9 Do you believe that the intercompany  
10 transactions involve cash movement between  
11 Mortgage and ResCap?

12 A. Intercompany transactions can include  
13 cash management -- cash movement between  
14 entities.

15 Q. Do you believe that the intercompany  
16 balances that you were reviewing in connection  
17 with this review in the fall of 2011 that Mr.  
18 Gyasi-twum is referring to in fact do involve  
19 cash movement between Mortgage and ResCap?

20 A. I can't speak specifically between  
21 Mortgage and ResCap, but intercompany  
22 transactions can include cash movement.

23 Q. And looking up at the first e-mail,  
24 the last chronologically but the one at the top  
25 of the page from 5:03 P.M. from Ms. Jeffress to

1 B. WESTMAN

2 Mr. Gyasi-twum -- sorry, just going back down to  
3 the second e-mail that we were looking at, Mr.  
4 Gyasi-twum then says, "Brooke, please validate  
5 our process for the intercompany settlements,"  
6 and then at the top of this page, Brooke then  
7 replies and states, "Intercompany transactions  
8 between Mortgage and ResCap represent daily  
9 paydowns/advances which support Mortgage's need  
10 for cash to fund outgoing cash obligations or  
11 concentrate Mortgage's excess cash for the  
12 parent which is ultimately used to pay down the  
13 outstanding balance on the LOC."

14 Is that an accurate description of the  
15 intercompany transactions between Mortgage and  
16 ResCap that were being reviewed?

17 MR. KERR: Objection.

18 A. That can be one of the reasons or one  
19 of the items that creates intercompany  
20 transactions. It can be created for many  
21 different reasons.

22 Q. If you believed that the  
23 intercompanies that were being considered in  
24 this review process represented something other  
25 than what Mr. Gyasi-twum and Ms. Jeffress were

1 B. WESTMAN

2 saying, would you have responded and said so?

3 A. I understood the context of how they  
4 were responding to our question here, so I  
5 didn't have any follow-up questions.

6 Q. And did you have any reason to doubt  
7 that what they were saying was accurate?

8 A. I didn't take that to be an  
9 all-inclusive statement speaking to all of the  
10 intercompany transactions. They were responding  
11 to our request about information about cash  
12 movement.

13 Q. And where do you see the request that  
14 was made to them?

15 A. The context of the request was to  
16 determine whether they had any documentation  
17 that we could use that described the cash  
18 movement process, and the response was they did  
19 not, other than our general knowledge that it  
20 was done in conjunction with the line of credit.

21 Q. And they also confirmed that in fact  
22 the intercompanies were related to the cash  
23 movement under the cash management process?

24 MR. KERR: Objection.

25 A. I don't believe that's what they were

1 B. WESTMAN

2 stating. They were stating that that is an  
3 activity that can occur.

4 MS. MILLER: I would like to mark as

5 Westman Exhibit 4 a document that's been  
6 marked for identification --

7 I'm sorry, the printing looks weird.

8 It's okay. A document that's been marked  
9 for identification in this case

10 RCJSN10037951 with two attachments.

11 (Westman Exhibit 4, a document, with  
12 attachments, bearing Bates No.

13 RCJSN10037951, marked for identification, as  
14 of this date.)

15 (Document review.)

16 BY MS. MILLER:

17 Q. Ms. Westman, I have mark as Westman  
18 Exhibit 4 an e-mail from you to MaryLou Lee and  
19 a number of other people dated 11/15/11, with  
20 the subject line "ResCap intercompany  
21 information," attaching a Word document and an  
22 Excel spreadsheet. Do you see that?

23 A. Yes.

24 Q. Do you recognize this document?

25 A. I don't specifically recall it, no.

Plaintiff's  
Objection  
70:4-23Lack of  
foundation  
(FRE 602, 901,  
903);  
incomplete  
(FRE 106)

1 B. WESTMAN

2 Q. Do you recall sending materials to  
3 Ally in advance of your meetings regarding the  
4 intercompany balance project?

5 A. I'm sorry, could you repeat the  
6 question?

7 Q. Do you recall sending materials to  
8 Ally in advance of any meetings you had with  
9 them regarding the intercompany balance project?

10 A. I don't recall specifically which  
11 meetings I sent materials or all the materials  
12 that were sent, no.

13 Q. But you do recall on occasion sending  
14 materials, though?

15 A. Yes.

16 Q. And do you recall, looking at the  
17 second attachment, do you recall sending them  
18 versions of the spreadsheet listing the  
19 intercompany -- various intercompany  
20 relationships and categorizing them in different  
21 ways?

22 A. I know the spreadsheets were sent. I  
23 don't recall how many versions were sent.

24 Q. You have no reason to doubt these  
25 documents were sent to Ally, right?

1 B. WESTMAN

2 A. I don't doubt it. I just don't  
3 specifically recall this particular one.

4 Q. And you don't doubt that you  
5 personally sent them, right?

6 A. I sent the e-mail --

7 Q. And the e-mail attaches the  
8 documents?

9 A. -- if these were attachments.

10 Q. I'll represent that the documents  
11 attached to this Westman Exhibit 4 are in fact  
12 the attachments that, as produced to us, are the  
13 attachments to the cover e-mail.

14 A. Okay.

15 Q. Looking at the first attachment that's  
16 titled "Intercompany Process," do you recognize  
17 this document?

18 A. I don't recall this document, no.

19 Q. Do you recall there being a write-up  
20 of the intercompany process with Ally --

21 MR. KERR: Objection.

22 Q. -- that was prepared in the fall of  
23 2011?

24 A. I don't recall doing a write-up.

25 Q. Do you recall ever reviewing a



1 B. WESTMAN

2 write-up?

3 A. I don't remember. I know that we  
4 worked with Ally and we provided information to  
5 Ally. I don't remember all the specific  
6 information provided.

7 Q. Do you think you would have sent --  
8 would you have sent a document to Ally that you  
9 didn't think was accurate?

10 A. Not intentionally, but if it was a  
11 draft document as part of a working group, there  
12 may have been drafts that were sent back and  
13 forth as we worked through the project.

14 Q. Would you have reviewed documents that  
15 you submitted to Ally?

16 A. Yes, I would have reviewed them.

17 Q. Would you have provided comments to  
18 whoever prepared the documents if something  
19 struck you as inaccurate or incorrect?

20 MR. KERR: Objection.

21 A. Since they were working documents, we  
22 may have provided them each step along the way  
23 as we were working through issues. So I don't  
24 specifically recall if we were presenting them  
25 as complete documents or -- this was not a final

1 B. WESTMAN

2 document.

3 Q. How do you know this was not the final  
4 document?

5 A. The final document was not completed  
6 until early 2012.

7 Q. How would I know if the document I'm  
8 looking at is the final document?

9 A. I believe it was sent to Ally  
10 indicating that that -- this would be the final  
11 document that we would be certifying, would be  
12 supporting our certification.

13 Q. Do you know whether that document was  
14 produced in connection with this litigation?

15 A. I believe it was, but I don't have  
16 direct knowledge of what was produced.

17 MS. MILLER: To the extent it was  
18 produced, we request under the protocol that  
19 Debtors provide us the specific Bates  
20 reference for that final document, and in  
21 the event that the document was not produced  
22 in connection with this litigation, we call  
23 for its production.

24 MR. KERR: Take it under advisement.  
25 That's fair.

1 B. WESTMAN

2 BY MS. MILLER:

3 Q. Looking at the first attachment titled  
4 "Intercompany Process," the second-to-last  
5 bullet, black built-in bullet states that,  
6 "ResCap has a number of intercompany balances  
7 with ResCap legal entities that are created as a  
8 result of the cash management process that moves  
9 money regularly but does not completely settle  
10 and will need to be listed as an exception."

11 Is that the same cash management  
12 process and exception that we have been  
13 discussing --

14 A. Yes.

15 Q. -- this morning?

16 And the next step is, "To obtain  
17 approval from Ally; decide if balances should be  
18 reduced."

19 Was approval obtained from Ally?

20 A. Yes, Ally agreed. I wouldn't  
21 necessarily -- I can't necessarily state if they  
22 called it an exception or an exception approval,  
23 but they did approve that that was valid  
24 intercompany process and met the requirements  
25 for us to certify the balances.

Plaintiff's  
Objection  
75:2-80:6  
Lack of  
personal  
knowledge  
(FRE 620);  
lack of  
foundation  
(FRE 602,  
901, 903)

1 B. WESTMAN

2 Q. And do you know if Ally -- sorry.

3 Strike that.

4 Do you know if a decision was made  
5 that any of the balances should be reduced?

6 A. To my knowledge, none of the balances  
7 were reduced.

8 Q. Looking at the second attachment,  
9 which is, based on your testimony, the working  
10 draft of the spreadsheet of intercompany  
11 balances, and turning to the fourth page, the  
12 worksheet titled "Intercompany Relationships  
13 Related to Cash Management and Do Not Settle,"  
14 is the description of the cash management  
15 process or practice, rather, at the top of that  
16 spreadsheet consistent with your understanding  
17 of how the cash management process worked at  
18 ResCap?

19 MR. KERR: Did you read it?

20 THE WITNESS: I'm reading it.

21 MR. KERR: It's a little hard to read.

22 MS. MILLER: I should have brought  
23 magnifying glasses for everyone.

24 (Document review.)

25 THE WITNESS: Okay. Could you repeat

1 B. WESTMAN

2 the question, please?

3 BY MS. MILLER:

4 Q. Sure. Is the description of the cash  
5 management process at ResCap and the resulting  
6 intercompany balances consistent with your  
7 understanding?

8 A. Yes, that fits with my understanding  
9 of the cash management process within ResCap.

10 Q. And are all of the intercompany  
11 balances listed on the spreadsheet -- strike  
12 that.

13 How is it decided whether an  
14 intercompany balance should be listed on this  
15 worksheet?

16 A. In this particular section of the  
17 worksheet?

18 Q. Yes.

19 A. If these were relationships where cash  
20 movement continued to occur because of the cash  
21 management process, so they would have been  
22 identified by looking at activity within those  
23 particular intercompany balances and determining  
24 whether they were involved in the process of the  
25 movement of cash.

1 B. WESTMAN

2 Q. And the intercompany balance between  
3 RFC and ResCap in the first line is one of those  
4 intercompanies that were identified as relating  
5 to the movement of cash; is that correct?

6 A. This intercompany balance has cash  
7 movement within it.

8 Q. And the intercompany between  
9 Homecomings Financial and Res Funding Co., LLC  
10 on the second line is similarly identified as a  
11 relationship related to cash management,  
12 correct?

13 A. It's identified as a balance that has  
14 cash movement within that intercompany balance.

15 Q. And the same is true for the Passive  
16 Asset Transaction and GMAC Mortgage intercompany  
17 balance on the third line of the worksheet,  
18 correct?

19 A. Correct.

20 Q. And it's also the same for the  
21 Executive Trustee Services and GMAC Mortgage  
22 Trust -- sorry, and the GMAC Mortgage  
23 intercompany balance listed two lines below,  
24 right?

25 A. Correct.

1 B. WESTMAN

2 Q. And also for the Residential Funding  
3 Co., RFC Asset Holdings LLC inter-balance, that  
4 balance was related to the movement of cash  
5 within the cash management process, correct?

6 A. I'm sorry, which balance is that?

7 Q. The one immediately below the  
8 Executive Trustee Services balance, the  
9 Residential Funding Co., LLC and RFC Asset  
10 Holdings II, LLC?

11 A. Yes.

12 Q. And going down six rows, the GMAC  
13 Residential Holding Corp., GMAC Mortgage  
14 intercompany balance also related to the  
15 movement of cash resulting from the cash  
16 management process, correct?

17 A. The cash management process created  
18 certain transactions within that balance, yes.

19 Q. And the same is true for the GMAC  
20 Mortgage and Home Connects Lending Services  
21 intercompany listed on the line below that,  
22 correct?

23 A. Yes.

24 Q. And moving down five rows, the GMAC  
25 Residential and ResCap intercompany balance was

1 B. WESTMAN

2 also identified as an intercompany relationship  
3 that had activity related to the movement of  
4 cash resulting from the cash management process,  
5 correct?

6 A. Correct.

7 MS. MILLER: I'd like to mark as  
8 Westman Exhibit 5 a document that's been  
9 marked for identification in this case  
10 RCJSN00003340.

11 (Westman Exhibit 5, a document bearing  
12 Bates Nos. RCJSN00003340, marked for  
13 identification, as of this date.)

14 BY MS. MILLER:

15 Q. Ms. Westman, do you recognize this  
16 document?

17 A. Yes.

18 Q. And what is it?

19 A. It is an internal certification  
20 process that was performed around intercompany  
21 relationships within ResCap.

22 Q. And who -- was this -- sorry. Strike  
23 that.

24 Was the certification submitted to  
25 anybody?



1 B. WESTMAN

2 A. It was a ResCap internal certification  
3 process.

4 Q. Was it required to be sent to Ally?

5 A. It was not.

6 Q. Is this certification related to the  
7 Ally Global Intercompany Policy that we've been  
8 discussing?

9 A. Indirectly. It's not directly related  
10 to that policy.

11 Q. Do you recognize the signature on this  
12 document?

13 A. It is my signature.

14 Q. And this document is dated January 6,  
15 2012. Have you prepared a similar certification  
16 for any period before this one?

17 A. I don't recall. I may have.

18 Q. Was it a requirement that the  
19 intercompany certification document be prepared  
20 in connection with the quarter-end?

21 A. Yes, I believe this was a quarterly  
22 required process.

23 Q. And would you have been the person  
24 responsible for signing these certifications on  
25 a quarterly basis?

1 B. WESTMAN

2 A. I was one of several individuals that  
3 were required to sign the certification over  
4 various points of time.

5 Q. And who were the other individuals?

6 A. Other accounting directors that were  
7 responsible for intercompany relationships or  
8 activities.

9 Q. And who were those accounting  
10 directors?

11 A. I don't recall the specific names and  
12 any accounting director that would have had  
13 responsibility for accounting within the  
14 organization for the particular time period.

15 Q. Would more than one accounting  
16 director have to sign an intercompany  
17 certification document for the same quarter?

18 A. Yes.

19 Q. Would it be the same certification?

20 A. It would be the same document. Each  
21 director was certifying to a set population of  
22 activities, so they were responsible -- each  
23 director was responsible for signing for the  
24 transactions that they were assigned within the  
25 document that supports this.

1 B. WESTMAN

2 Q. And which transactions were you  
3 assigned or were assigned to you?

4 A. A specific set of transactions that  
5 were performed by the General Ledger Team.

6 Q. And what are those specific set of  
7 transactions?

8 A. General -- generally were  
9 eliminations. This was a certification to  
10 ensure that elimination entries were prepared as  
11 part of the consolidation of the financial  
12 statements. So those were generally  
13 eliminations related to investment in  
14 subsidiaries and the intercompany balance is  
15 properly eliminated for consolidation purposes.

16 Q. Was it necessary for the elimination  
17 process to work properly that transactions be  
18 recorded in the proper accounts in the general  
19 ledger?

20 A. Yes, that's what this certification  
21 identified; the places where intercompany  
22 activities occurred so that we could ensure  
23 those were properly eliminated within the  
24 financial statements.

25 Q. And did you review intercompany

Plaintiff's  
Objection  
83:16-24  
Incomplete  
(FRE 106)

1 B. WESTMAN

2 transactions during the period and assure that  
3 they were accounted for in the proper accounts?

4 MR. KERR: Objection.

5 A. I reviewed the supporting  
6 documentation behind this that indicated the  
7 types of intercompany relationships that were  
8 covered by the certifications. It was not a  
9 certification of transactions but of types of  
10 activities, so I would have reviewed that  
11 documentation prior to signing.

12 Q. And what type of documentation would  
13 have been provided?

14 A. There's a spreadsheet that supports  
15 the certification.

16 Q. Do you know who prepared that  
17 spreadsheet?

18 A. I don't specifically recall. It was  
19 prepared by various accounting individuals over  
20 different periods of time.

21 Q. Do you recall in late 2011, early 2012  
22 who would have been responsible for preparing  
23 that document?

24 A. I believe it would have been Jake  
25 Bazella.

1 B. WESTMAN

2 Q. Do you know whether the documents  
3 supporting the certification has been produced  
4 in connection with this litigation?

5 A. I'm not sure what has been --  
6 everything that has been produced.

7 MS. MILLER: I'm going to ask that  
8 under the discovery protocol the specific  
9 document, Excel spreadsheet document  
10 described by Ms. Westman be identified by  
11 Bates range.

12 MR. KERR: Okay.

13 MS. MILLER: And to the extent that  
14 it's not in the repository, we call for the  
15 production of that document.

16 BY MS. MILLER:

17 Q. Have you signed more than one  
18 intercompany certification document during your  
19 time at ResCap?

20 A. I don't recall how many of this  
21 particular certification I signed.

22 Q. Do you know if it was more than this  
23 one?

24 A. I don't recall.

25 Q. But someone would have signed this

1 B. WESTMAN

2 type of certification for each quarter?

3 A. Correct.

4 Q. Did there come a time after the first  
5 quarter of -- did there come a time within the  
6 first quarter of 2012 that you engaged in  
7 another review of intercompany balances?

8 A. We continued the review that we had  
9 started under the Ally project, and we continued  
10 that review in conjunction with information that  
11 would be needed for bankruptcy filings.

12 Q. And who was responsible for that  
13 review?

14 A. I don't know a specific individual  
15 that was responsible. I would have been  
16 involved in that process.

17 Q. And who told you what information was  
18 necessary relating to intercompany transactions  
19 for the bankruptcy filings?

20 A. I worked with my supervisor Cathy  
21 Dondzila.

22 Q. Did there come a time that the law  
23 firm of Morrison & Foerster was retained by  
24 ResCap to represent it in connection with the  
25 restructuring?

1 B. WESTMAN

2 A. Yes, Morrison & Foerster was involved.

3 I wasn't specifically involved in when or how  
4 that occurred.

5 Q. And did FTI work as a financial  
6 advisor to ResCap and its counsel in connection  
7 with the anticipated bankruptcy filing?

8 A. Yes.

9 Q. Did you receive requests from FTI for  
10 information relating to intercompany  
11 transactions?

12 A. Yes.

13 Q. A lot of requests?

14 A. Yes.

15 Q. Did you respond to the requests?

16 A. I responded to many requests.

17 Q. Did you provide FTI with as much  
18 information as you had available to you?

19 A. Yes, to my knowledge.

20 Q. Did you provide FTI with any  
21 information that you believed was false or  
22 inaccurate?

23 A. Not knowingly.

24 Q. Did you receive requests for  
25 information relating to the intercompanies from

1 B. WESTMAN

2 your counsel?

3 A. I don't specifically recall if I did  
4 or not.

5 Q. Who was the main person you liaised  
6 with on the intercompany review leading up to  
7 the bankruptcy filing?

8 A. From -- from Morrison & Foerster or  
9 anyone?

10 Q. Generally.

11 A. Generally, with Cathy Dondzila, and  
12 there were several different people involved  
13 with FTI.

14 Q. Who at FTI do you recall specifically  
15 being involved in the intercompany balances?

16 A. Mark Renzi. Liz Parks. Those are the  
17 two I probably specifically recall.

18 Q. And did you have any meetings with FTI  
19 where you discussed intercompany balances?

20 A. I don't specifically recall. I'm sure  
21 we did.

22 Q. How frequently did you -- were you  
23 speaking to FTI in the first quarter of 2012?

24 A. I don't recall.

25 Q. Weekly?



1 B. WESTMAN

2 A. Most likely there would have been some  
3 communication weekly, whether it was e-mail or  
4 physically speaking with them.

5 Q. Do you think it would have been more  
6 frequently than weekly?

7 A. I don't recall.

8 Q. And what type of information was FTI  
9 requesting relating to the intercompany  
10 balances?

11 A. I don't specifically recall the nature  
12 of all the requests. I know that we did work on  
13 compiling a list of intercompany balances  
14 leading up to the bankruptcy date.

15 Q. When you say "we," who are you  
16 referring to?

17 A. Myself, Cathy Dondzila and other  
18 members of Cathy or my team that assisted in  
19 that preparation.

20 Q. And were you and Cathy primarily  
21 responsible for the list of intercompany  
22 balances?

23 A. Yes, individuals within our teams  
24 would have been responsible for maintaining  
25 those transactions.

1 B. WESTMAN

2 Q. What other information did you provide  
3 to FTI regarding the intercompany balances?

4 A. I don't specifically recall. There  
5 were many requests. I don't recall the details.

6 Q. Do you have a sense of how much time  
7 you spent researching, compiling information,  
8 and responding to their requests?

9 A. We were responding to many requests  
10 outside of intercompany, but we spent a  
11 significant amount of time researching and  
12 gathering data related to intercompany balances.

13 Q. And did the review of intercompany  
14 balances leading up to the bankruptcy continue  
15 for a matter of months?

16 A. I believe so. I don't remember the  
17 specific dates, but I believe we worked on it  
18 beginning at least a few months prior to  
19 bankruptcy and worked on it through bankruptcy  
20 date.

21 Q. Do you recall when you first started  
22 getting requests for information from FTI?

23 A. I don't recall specifically. I  
24 believe I would have brought -- been brought  
25 into the bankruptcy process perhaps in March. I

1 B. WESTMAN

2 don't recall specifically.

3 Q. Do you recall specifically when the  
4 company filed for bankruptcy?

5 A. In May of 2012.

6 Q. And do you believe that from the time  
7 you were brought into the bankruptcy process  
8 through the filing you were actively involved in  
9 responding to requests related to intercompany  
10 balances?

11 A. I don't specifically recall which  
12 requests were related to intercompany balances.  
13 I was actively involved in responding to  
14 requests. I can't say whether they were related  
15 to intercompany through that entire time period.

16 Q. Did you provide information to FTI  
17 regarding the intercompany balances?

18 A. I'm sure I did.

19 Q. Did you prepare a spreadsheet of top  
20 ten intercompany balances?

21 A. I don't recall who prepared the  
22 spreadsheet. I'm familiar with the spreadsheet.

23 MS. MILLER: I'm going to mark an  
24 exhibit. It's being marked as it was  
25 produced, but it seems to be -- possibly be

1 B. WESTMAN

2 a compilation of two different exhibits. So  
3 I'm going to -- I'm going to mark as Westman  
4 Exhibit --

5 MR. KERR: 6 I think we're up to.

6 MS. MILLER: -- 6 a document  
7 Bates-stamped RCUCCJSN30016049 with its  
8 attachment.

9 (Westman Exhibit 6, a document, with  
10 attachment, bearing Bates Nos.  
11 RCUCCJSN30016049, marked for identification,  
12 as of this date.)

13 MS. MILLER: Can I have one of those?

14 MR. KERR: Sure.

15 (Document handed.)

16 MS. MILLER: So I'll represent that  
17 this document, as I have it printed from the  
18 original, begins with the document -- the  
19 e-mail that was the first -- that is the  
20 first page of Westman Exhibit 6, but then  
21 somewhere about halfway through --

22 MR. SILVERSCHOTZ: Do you have another  
23 copy?

24 MS. MILLER: I'm going to pass it down  
25 in one second.

1 B. WESTMAN

2 -- after the first attachment,  
3 actually attaches a second e-mail, which  
4 then attaches the same agreement and then  
5 attaches another document. So it probably  
6 was intended to be produced as two separate  
7 documents, and what happened here in the  
8 copy that's been marked is it looks like the  
9 second e-mail reattaching the first  
10 attachment was dropped, and so the range  
11 actually -- in the exhibit actually runs  
12 from RCUCCJSN30016049 through 16100 and then  
13 goes to RCUCCJSN30016164, and the e-mail in  
14 the original document that is not included  
15 in the exhibit is an e-mail in the chain of  
16 the original cover e-mail "Re: Waterfall  
17 Questions."

18 MR. KERR: So that's not part of what  
19 you marked as --

20 MS. MILLER: So that's not part of  
21 this exhibit, but in case anyone wants to  
22 know what it is, it's just more of that same  
23 chain -- actually less of that same chain,  
24 reattaching the documents that are attached  
25 at the beginning, but also, the spreadsheet

1 B. WESTMAN

2 of top ten intercompany balance -- Top Ten  
3 Intercompany Relationships Spreadsheet.

4 And I note for the record that this is  
5 not our production. No explanation.

6 BY MS. MILLER:

7 Q. So, looking at the very confused  
8 exhibit Westman Exhibit 6, do you recognize this  
9 e-mail?

10 A. Yes.

11 Q. And did you prepare this e-mail?

12 MR. KERR: Are you talking about the  
13 cover e-mail or the attachments?

14 MS. MILLER: The cover e-mail. The  
15 e-mail.

16 THE WITNESS: It's portions of the  
17 e-mail I prepared.

18 BY MS. MILLER:

19 Q. I'd like to refer you to the last page  
20 of the exhibit, which is a spreadsheet titled  
21 Summary of Top Ten Intercompany Relationships.

22 Are you familiar -- I see the witness  
23 flipping pages and looking confused. I share  
24 your confusion. I think that there are actually  
25 two different versions of this Top Ten

1 B. WESTMAN

2 Intercompany Relationship that are part of what  
3 is in the database as a single document. The  
4 first one appears as the fourth page of the  
5 exhibit Bates-stamped 16053.

6 MR. KERR: That's --

7 MR. LAWRENCE: Not in my document.

8 MR. KERR: Yes, it's not in the  
9 document.

10 MS. MILLER: It's not?

11 MR. KERR: No. It goes from, just so  
12 you know, it goes from 16052 to 16054. Just  
13 so -- I noticed it, but it's obviously  
14 missing a page.

15 MS. MILLER: Right. Okay. So that is  
16 probably our error because this looks like  
17 it was produced --

18 MR. KERR: Do you want to make a copy  
19 of that.

20 MS. MILLER: Yes, so maybe -- well,  
21 this is going to have my notes on it. So,  
22 no, I don't want --

23 MR. LAWRENCE: You want to come back  
24 after a break?

25 MS. MILLER: Yes, let's come back

1 B. WESTMAN

2 after this. We'll get -- if we get a copy  
3 e-mailed, can we --

4 MR. KERR: Yes.

5 MS. MILLER: Can we pull it from the  
6 repository?

7 MR. KERR: That's fine. So you want  
8 to come back to this document?

9 MS. MILLER: Yes, we'll come back to  
10 this document. I apologize for the  
11 confusion that created.

12 MR. KERR: No, don't worry about it.

13 BY MS. MILLER:

14 Q. Sorry, just looking back at the cover  
15 e-mail in Westman Exhibit 6, Ms. Westman, do you  
16 see that the e-mail is dated March 23, 2012?

17 A. Yes.

18 Q. And does this document, does this  
19 e-mail chain which starts on March 19, 2012,  
20 relate to intercompany balances, in part?

21 A. Yes.

22 Q. And is this an e-mail between you and  
23 certain people at FTI concerning their requests  
24 for information regarding this intercompany  
25 balances?



1 B. WESTMAN

2 A. Yes.

3 MS. MILLER: I'd like to mark as

4 Westman Exhibit 7 a document Bates-stamped

5 RCUCCJSN20064737 through 4801. It's an

6 e-mail with multiple attachments.

7 (Westman Exhibit 7, an e-mail with

8 attachments, bearing Bates Nos.

9 RCUCCJSN20064737 through 4801, marked for

10 identification, as of this date.)

11 (Document review.)

12 MR. LAWRENCE: They do seem to be  
13 missing pages in this as well.

14 MR. KERR: Yes, I think page 64743 is  
15 missing.

16 MR. LAWRENCE: Unless it's  
17 double-sided.

18 MR. KERR: I don't see it. 64751 --  
19 no, that's double-sided.

20 MS. MILLER: 45 appears to be missing  
21 and 47. I wonder if these are the slip  
22 sheets that say "produced in native."

23 MR. KERR: Could be. Could be. I  
24 don't know.

25 MS. MILLER: That's at least

Plaintiff's Objection  
97:3-10Lack of  
foundation (FRE 602,  
901, 903)

1 B. WESTMAN

2 consistent with the printout that I have of  
3 that document. So we'll check and see if  
4 there are in fact any pages missing and I'll  
5 supplement the exhibit.

6 MR. KERR: I know that in some of the  
7 productions there was a -- there would be a  
8 slip sheet that would said "produced in  
9 native" or something like that, so that may  
10 be a part of it.

11 MR. LAWRENCE: But there would still  
12 be a native document.

13 MR. KERR: Yes. Whatever. We'll  
14 figure it out.

15 BY MS. MILLER:

16 Q. Ms. Westman, have you had an  
17 opportunity to review the cover e-mail?

18 A. Yes.

19 Q. You see that this e-mail is from April  
20 20, this e-mail chain is from April 20, 2012?

21 A. Yes.

22 Q. And looking down at the opening e-mail  
23 in the chain, can you describe what that e-mail  
24 is?

25 A. My -- my comments?

1 B. WESTMAN

2 Q. No, the one below yours.

3 A. This appears to be a request from Mark  
4 Renzi for certain information related to  
5 intercompany balances.

6 Q. Did you understand why Mark Renzi was  
7 asking for this information?

Plaintiff's  
Objection  
99:6-10: lack  
of personal  
knowledge  
(FRE 602)

8 A. I don't know specifically, other than  
9 we were working on gathering information related  
10 to intercompany balances.

11 Q. Did you provide Mr. Renzi with all of  
12 the information that you had relating --  
13 responsive to his questions?

14 A. I don't know.

15 Q. Do you believe that there's any  
16 information that you have that you did not  
17 provide to FTI in response to their requests for  
18 information related to the intercompany  
19 balances?

20 A. I don't believe there's information  
21 that I had. I don't specifically recall  
22 responding to this request. This is not a  
23 response to this request. So I'm not sure what  
24 I responded to Mark.

Plaintiff's  
Objection  
99:25-100:8:  
lack of  
personal  
knowledge  
(FRE 602)

25 Q. Do you believe that you or Cathy would

1 B. WESTMAN

2 have collected and provided as much information  
3 to FTI in response to their specific requests as  
4 you had available?

5 MR. KERR: Objection.

6 A. Yes, I believe we would have. I don't  
7 specifically recall what we provided or that we  
8 were able to answer these questions.

9 Q. Do you recall looking for information  
10 in response to requests from FTI related to  
11 intercompany balances?

12 A. Yes.

13 Q. And do you recall providing the  
14 information that you found in response to those  
15 requests to FTI?

16 A. In general, yes.

17 Q. Do you recall any instances where you  
18 found information responsive to a request from  
19 FTI but did not provide that information to FTI?

20 A. Not that I'm aware of.

21 Q. Going to -- looking at the first  
22 attachment, it's an e-mail from -- sorry, it's  
23 Bates-stamped RCUCCJSN20064740, and it's an  
24 e-mail from you to Janel Farley regarding  
25 agreements from March 20, 2012?

1 B. WESTMAN

2 MR. KERR: Actually, I think if you're  
3 talking about the top one, I think that's  
4 from Janel to Barb. The one below is from  
5 Barb. It's a different date.

6 MS. MILLER: You're right.

7 BY MS. MILLER:

8 Q. So either the March 19 e-mail from --  
9 focusing first on the March 19 e-mail from you  
10 to Janel?

11 A. I'm sorry, could you repeat the  
12 question?

13 Q. Do you recognize the e-mail, the March  
14 19 e-mail from you to Ms. Farley?

15 A. Yes.

16 Q. Do you know what this e-mail is about?

17 A. Yes.

18 Q. What's it about?

19 A. This was as part of research  
20 attempting to document the reasons behind  
21 certain intercompany transactions, and these  
22 particular transactions I had requested that  
23 Janel determine whether she was familiar with  
24 these, if she had recently worked on a project  
25 that might have made her familiar with these

1 B. WESTMAN

2 particular balances.

3 Q. And did you -- do you understand her  
4 response in the March 20 e-mail?

5 A. She basically is -- isn't responding.  
6 She's indicating that the one particular  
7 transaction may look familiar but that she was  
8 working on other issues and then she would look  
9 further to research this issue.

10 Q. So what is a topside entry?

11 A. That was another project that she was  
12 working on unrelated to this. Simply a  
13 reference of what -- of her time commitment and  
14 what her first priority was before she could  
15 look at this particular transaction.

16 Q. Does it relate at all to intercompany  
17 balances?

18 A. I don't specifically recall. It's not  
19 related to this request.

20 Q. Do you know if the topside entry for  
21 GMAC are to include RFC advances relates to  
22 intercompany balances between those entities?

23 A. I believe so. I believe it's  
24 referring to the servicing advances.

25 Q. Would those servicing advances have

1 B. WESTMAN

2 been accounted for in the intercompany balances?

3 A. I have no knowledge about that.

4 Q. Looking at the document with the Bates  
5 range ending in 4744, there's an e-mail from  
6 Michaeline Dugan to you dated February 23, 2012  
7 regarding Executive Custody Services.

8 On the second page of that exhibit,  
9 there's an e-mail from you to Michaeline on  
10 February 23, 2012 in which you state there's a  
11 \$250 million intercompany balance between EST  
12 and GMAC -- sorry, ETS -- I think there's a typo  
13 there. "ETS has the receivable. Gary was  
14 looking into this and just noted it was  
15 'Recovery income and foreclosure trustee fees.'  
16 Can someone expand on this?"

17 Do you see that?

18 A. Yes.

19 Q. And do you know in what context you  
20 were looking into the intercompany balance  
21 between ETS and GMACM in February of 2012?

22 A. In an attempt to look at the  
23 intercompany, the larger intercompany balances  
24 and gain an understanding of what might have  
25 created those balances or what could be

1 B. WESTMAN

2 contained within those balances.

3 Q. And was that part of your review  
4 leading up to the bankruptcy filing?

5 A. Yes, it was during that time period.

6 Q. And do you understand the response  
7 that you get from Michaeline about the ETS  
8 balance?

9 A. Generally.

10 Q. Can you explain how the ETS GMAC  
11 intercompany balance arose?

12 A. I think Michaeline is laying out the  
13 various journal entries here, indicating in  
14 this -- that ETS generates cash in its normal,  
15 daily operations and that cash generally makes  
16 its way up to GMAC Mortgage, so this is  
17 indicating the types of entries that would have  
18 been made reflecting some of that activity.

19 MS. MILLER: I'd like to mark as  
20 Westman Exhibit 8 a document Bates-stamped  
21 EXAM122636518 through 521. It's an e-mail  
22 with an attachment.

23 (Westman Exhibit 8, a document bearing  
24 Bates Nos. EXAM122636518 through 521, marked  
25 for identification, as of this date.)

Plaintiff's  
Objection  
104:19-15:  
Lack of  
foundation  
(FRE 602, 901,  
903)



1 B. WESTMAN

2 MR. KERR: Atara, I'm just looking at  
3 this document and we may have a privilege  
4 issue on this. I don't know. I need to  
5 speak to somebody separately. Can we put  
6 this aside?

7 MS. MILLER: You want to table it?

8 MR. KERR: Yes.

9 MS. MILLER: And we'll come back to  
10 that.

11 MR. KERR: And we may not. I just --

12 MS. MILLER: I'm going to use the  
13 document to establish the fact of the  
14 communication and then will not touch the  
15 substance until --

16 MR. KERR: If you want to just  
17 establish the fact of the communication,  
18 that's fine. I just -- I've got to check on  
19 the substance of it. I just, I just don't  
20 know the answer, but if --

21 MS. MILLER: Understood. So I won't  
22 touch the substance until you get back to  
23 me.

24 MR. KERR: Okay. Fair enough.

25 BY MS. MILLER:

1 B. WESTMAN

2 Q. Ms. Westman, were, in light of your  
3 counsel's stated concern that this document may  
4 be privileged, and subject to his further review  
5 of that question and giving us an answer on it,  
6 I'm not going to ask you to comment on the  
7 substance of this document so I'd like you to  
8 focus only on the identifying information at the  
9 top of the document.

10 A. Okay.

11 Q. Ms. Westman, do you see that this is  
12 an e-mail dated April 23, 2012, from Mark Renzi  
13 to Todd Goren and Alex Barrage, copying a number  
14 of people, including yourself?

15 A. Yes.

16 Q. And that the subject of the e-mail is  
17 "Bounce - Intercompany Follow-Up - request for  
18 call tomorrow at 1 to 2"?

19 A. Yes.

20 Q. And it attaches a document titled  
21 "Intercompany Questions Version 2.xls"?

22 A. Yes.

23 Q. In or around the April 2012 timeframe,  
24 were you having calls with FTI regarding  
25 intercompany balances?

1 B. WESTMAN

2 A. It appears as such from the e-mail. I  
3 don't specifically recall dates of calls.

4 Q. Do you recall throughout the February  
5 to May 2012 time period conferring with FTI  
6 regarding intercompany balances?

7 A. Yes. During that time, I would have  
8 talked with FTI.

9 Q. You mentioned that you continued to  
10 work on the intercompany balances -- a review of  
11 the intercompany balances beyond the May 2012  
12 bankruptcy petition. Was that in response to  
13 continuing requests from FTI?

14 A. I don't recall who would have  
15 requested that.

16 Q. Do you recall if -- strike that. Did  
17 you continue to provide information to FTI  
18 regarding intercompany balances even after the  
19 filing of the bankruptcy petition?

20 A. I don't recall the dates that we  
21 provided information. We would have continued  
22 to respond to requests from any parties that  
23 were requesting it. I don't remember the dates.

24 MR. LAWRENCE: I'll just note that  
25 lunch is outside, so whenever anyone wants

1 B. WESTMAN

2 to --

3 MS. MILLER: Okay.

4 MR. LAWRENCE: I'll let Barb decide  
5 when she wants to stop.

6 MS. MILLER: Do you want to take a  
7 break?

8 THE WITNESS: It's 1. It might be  
9 good.

10 MS. MILLER: Okay.

11 MR. KERR: How long do you want to  
12 take? A half an hour or less?

13 MS. MILLER: I'm thinking maybe a  
14 little bit more so we can all circle our  
15 teams --

16 MR. KERR: Oh, sure. Sure. Sure.

17 MS. MILLER: -- and get the document  
18 issue situated.

19 MR. KERR: That's fine.

20 MS. MILLER: Can we go off the record?

21 MR. KERR: Let's go off the record.

22 THE VIDEOGRAPHER: The time is 1:06.  
23 This is the end of tape labeled number 2.  
24 We're going off the record.  
25

1 B. WESTMAN

2 AFTERNOON SESSION

3 THE VIDEOGRAPHER: This is the start  
4 of tape labeled number 3. The time is 1:54.  
5 We are back on the record.

6 B A R B A R A W E S T M A N, resumed and  
7 testified further as follows:

8 FURTHER EXAMINATION BY  
9 MS. MILLER:

10 Q. Good afternoon, Ms. Westman.

11 A. Good afternoon.

12 Q. Welcome back.

13 A. Thank you.

14 MR. KERR: Atara, let me just make a  
15 statement about this.

16 MS. MILLER: Sure.

17 MR. KERR: I have had an opportunity  
18 over lunch to look at what has been marked  
19 as Westman Exhibit 8, and after reviewing it  
20 and reviewing the text of the e-mail more  
21 carefully, we're not going to assert  
22 privilege over this specific e-mail and you  
23 are free to question Ms. Westman about it.

24 Obviously if she -- your questioning  
25 leads into conversations she might have had

1 B. WESTMAN

2 with MoFo, we'll have to deal with that  
3 issue, whatever it is, but with respect to  
4 this e-mail, you are free to question her as  
5 much as you wish.

6 MS. MILLER: Thank you.

7 On that note, I'm going to ask the  
8 reporter to mark as Westman Exhibit 9 the  
9 Schedule of Assets and Liabilities for RFC  
10 Asset Holdings II, LLC, filed in the  
11 bankruptcy proceedings of Residential  
12 Capital, LLC, et al., Docket No. 586.

13 (Westman Exhibit 9, Schedule of Assets  
14 and Liabilities for RFC Asset Holdings II,  
15 LLC, filed in the bankruptcy proceedings of  
16 Residential Capital, LLC, et al., Docket No.  
17 586, marked for identification, as of this  
18 date.)

19 (Document review.)

20 BY MS. MILLER:

21 Q. Ms. Westman, have you had an  
22 opportunity to review this document?

23 A. Yes.

24 Q. And have you seen this document  
25 before?

1 B. WESTMAN

2 A. At least parts of the document, if not  
3 the full document.

4 Q. And what parts of the document do you  
5 specifically recall having seen before?

6 A. I would have looked at intercompany  
7 balances and I may have looked at other  
8 schedules. I don't recall each particular  
9 portion.

10 Q. And this Schedule of Assets and  
11 Liabilities was filed with the court on June 30,  
12 2012; is that correct?

13 A. Correct.

14 Q. And turning your attention to the  
15 document -- sorry, to the page marked page 6 of  
16 50 on the top or page 5 on the bottom, you see  
17 there's a paragraph describing intercompany  
18 transactions? It's the first full paragraph on  
19 the page.

20 A. Okay. Yes.

21 Q. The second-to-last sentence states  
22 that, "The Debtors have made every attempt to  
23 properly characterize, prioritize and classify  
24 all intercompany transactions." Do you see  
25 that?

1 B. WESTMAN

2 A. Yes.

3 Q. Would you have reviewed this  
4 paragraph?

5 A. I don't recall reviewing this  
6 paragraph.

7 Q. Do you believe that that's an accurate  
8 description of the Debtors' efforts leading up  
9 to July 30 -- sorry, June 30, 2012 regarding  
10 intercompany balances?

Plaintiff's  
Objection  
112:7-15:  
lack of  
personal  
knowledge  
(FRE 602)

11 MR. KERR: Objection. Lack of  
12 foundation.

13 A. I believe when we provided information  
14 for the SOAL, that we believed it was accurate  
15 to the best of our knowledge at the time.

16 Q. Turning now to the page 44 of 50, do  
17 you see that Residential Funding Company is  
18 listed as a creditor of RFC Asset Holdings II?

19 A. Yes.

20 Q. And the consideration -- the "Date  
21 claim was incurred and consideration for claim"  
22 notes that it is an intercompany payable?

23 A. Yes.

24 Q. And the total amount of the claim is  
25 listed as \$231,862,293.11?



1 B. WESTMAN

2 A. Yes.

3 Q. And do you believe that that was an  
4 accurate reflection of the debt owing from RFC  
5 Asset Holdings II to Residential Funding  
6 Company, LLC as of June 30, 2012?

7 MR. KERR: Objection to form.

8 A. That was the intercompany payable  
9 between those two entities. Again, there would  
10 have been other intercompany receivables as  
11 well. This schedule was filed on a gross basis,  
12 so that would have been an intercompany payable.

13 Q. And would you have been responsible --  
14 strike that. Do you know how the total amount  
15 of the claim was derived?

16 MR. KERR: I'm sorry, I'm not sure I  
17 understand. What was the claim you were  
18 referring to?

19 MS. MILLER: The Residential Funding  
20 Company, LLC total amount of claim listed in  
21 the last column.

22 MR. KERR: Objection to form.

23 THE WITNESS: This would have been  
24 supported by our listing of intercompany  
25 balances between the entities, again, on a

1 B. WESTMAN

2 gross basis.

3 BY MS. MILLER:

4 Q. And were you involved in preparing the  
5 listing of intercompany balances on a gross  
6 basis?

7 A. Yes, I was involved in that.

8 Q. And do you believe that that \$231-plus  
9 million number was accurate as of the time that  
10 this was filed?

11 A. It was an accurate reflection of the  
12 payable balance between these entities.

13 MS. MILLER: Thank you. I would like  
14 to mark as Westman Exhibit 10 the Amended  
15 Schedules of Assets and Liabilities for  
16 Residential Capital, LLC dated July 3, 2012  
17 and bearing docket -- filed in the  
18 bankruptcy proceedings of In re Residential  
19 Capital, LLC, et al. at Docket No. 683.

20 (Westman Exhibit 10, Amended Schedules  
21 of Assets and Liabilities for Residential  
22 Capital, LLC dated July 3, 2012, marked for  
23 identification, as of this date.)

24 BY MS. MILLER:

25 Q. Ms. Westman, do you recognize this

1 B. WESTMAN

2 document?

3 A. Yes.

4 Q. And have you reviewed this document in  
5 the past?

6 A. I may have seen this document or parts  
7 of the document.

8 Q. Were you involved in preparing the  
9 schedule of certain claims against Residential  
10 Capital, LLC?

11 MR. KERR: Objection.

12 A. Can you repeat the question?

13 Q. Strike the question.

14 Can you turn to -- please turn to page  
15 5 of 26 in the document. See the last line  
16 identifies Residential Funding Company, LLC as a  
17 creditor holding an unsecured claim against  
18 Residential Capital, LLC in the amount of  
19 1,955 -- \$1,955,105,299.08?

20 A. Yes, I see the balance.

21 Q. And would you have -- would you have  
22 been responsible for -- strike that.

23 Were you involved in preparing this  
24 listing of the intercompany balance between  
25 Residential Capital, LLC and Res Funding Co. on

1 B. WESTMAN

2 a gross basis?

3 A. I would have been responsible for  
4 providing information that went into these  
5 schedules.

6 Q. And do you believe that the  
7 information that you provided was accurate as of  
8 July 3, 2012?

9 A. The information we provided was  
10 accurate to the best of our knowledge.

11 MS. MILLER: I'd like to mark as  
12 Westman Exhibit 11 the Amended Schedules of  
13 Assets and Liabilities for Residential  
14 Funding Company, LLC filed on July 3, 2012  
15 in the bankruptcy proceedings of In re  
16 ResCap, LLC, et al., at Docket No. 684.

17 (Westman Exhibit 11, Amended Schedules  
18 of Assets and Liabilities for Residential  
19 Funding Company, LLC filed on July 3, 2012,  
20 marked for identification, as of this date.)

21 BY MS. MILLER:

22 Q. Ms. Westman, were you responsible for  
23 providing information relating to the  
24 intercompany balances that were included in the  
25 schedule?

1 B. WESTMAN

2 A. Yes.

3 Q. And looking at the page marked 11 of  
4 139 on the top, or 7 of 17 on the bottom, a  
5 little more than halfway down, Homecomings  
6 Financial, LLC is listed as a creditor holding  
7 an unsecured claim against Residential Funding  
8 Company in the amount of \$1,251,521,436.97.

Plaintiff's  
Objection  
117:3-16:  
objection to  
form; vague  
and  
ambiguous;  
lack of  
personal  
knowledge  
(FRE 602)

9 Is that the information that you would  
10 have provided relating to intercompany claims  
11 that was included in the schedule?

12 MR. KERR: Objection.

13 A. That would have been based on  
14 information that we provided for intercompany  
15 transactions on a gross basis that were in our  
16 general ledger from a GAAP perspective.

17 Q. And do you believe that the  
18 information that you provided was accurate as of  
19 the time you provided it?

20 A. Yes.

21 MS. MILLER: I'd like to mark as  
22 Westman Exhibit 12 -- Exhibit 12, the  
23 Amended Schedules of Assets and Liabilities  
24 for GMAC Mortgage, LLC filed in the  
25 bankruptcy proceedings In re Residential

1 B. WESTMAN

2 Capital, LLC, on July 7 -- on July 3, 2012,  
3 at Docket No. 685.

4 (Westman Exhibit 12, Amended Schedules  
5 of Assets and Liabilities for GMAC Mortgage,  
6 LLC filed on July 3, 2012, at Docket No.  
7 685, marked for identification, as of this  
8 date.)

9 BY MS. MILLER:

10 Q. Ms. Westman, were you responsible for  
11 providing information relating to the  
12 intercompany balances that were included in the  
13 schedules?

14 A. Yes.

15 Q. And does that include information  
16 relating to the general unsecured claim of  
17 Executive Trustee -- sorry, looking at page 20  
18 of 623, page 16 of 52, does that include the  
19 claim identified as being -- the general  
20 unsecured claim that's being identified as being  
21 held by Executive Trustee Services, LLC in the  
22 amount of \$276,515,932.65?

23 MR. KERR: Objection.

24 A. I'm sorry, could you repeat the  
25 question?

1 B. WESTMAN

2 Q. Would you have provided the  
3 information underlying the gross balance  
4 identified in the middle of page 16 of 52  
5 relating to the claim held by Executive Trustee  
6 Services against GMAC Mortgage, LLC in the  
7 amount of \$276,515,932.65?

Plaintiff's  
Objection  
119:2-11: lack of  
personal  
knowledge (FRE  
602)

8 MR. KERR: Objection.

9 A. Yes, I would have provided information  
10 regarding the intercompany payable balance from  
11 our general ledger that supported this balance.

12 Q. And would you also have provided  
13 information underlying the gross balance  
14 identified on the bottom few lines on page 23  
15 identified as intercompany payable claims from  
16 amounts owing to GMAC Residential Holding  
17 Company, LLC in the amount of \$1.528 million --  
18 \$1,528,088.16 as well as the balance -- the  
19 scheduled claim of GMAC Residential Holding  
20 Company, LLC in the amount of \$108 million?

Plaintiff's  
Objection  
119:12-24, lack  
of personal  
knowledge  
(FRE 602)

21 MR. KERR: Objection.

22 A. I would have provided information from  
23 our general ledger showing the intercompany  
24 payable balances for these two items.

25 Q. Do you believe that the information

1 B. WESTMAN

2 from your general ledger would have supported  
3 the balances included in the Schedule of Assets  
4 and Liabilities?

5 A. I believe the information we provided  
6 was accurate to the best of our knowledge.

7 Q. And it's consistent with the numbers  
8 that are reflected in the schedule?

9 MR. KERR: Objection.

10 A. We would have provided a support  
11 schedule that would have tied to this number.

12 Q. And looking at page 40 of 623 on the  
13 top, page 36 of 52 on the bottom, is the same  
14 true for the information that you would have  
15 provided in support of the Schedule of Claims of  
16 Passive Asset Transactions, LLC in the amount of  
17 \$7,768,304.09 and in the amount of  
18 \$689,191,786.68?

19 MR. KERR: Objection.

20 A. I would have provided the same support  
21 schedule that were tied to those balances.

22 MS. MILLER: I'd like to mark as  
23 Westman Exhibit 13 the Amended Schedules of  
24 Assets and Liabilities for GMAC Residential  
25 Holding Company, LLC filed on July 3, 2012,



1 B. WESTMAN

2 in the bankruptcy proceedings of In re  
3 Residential Capital, LLC at Docket No. 687.  
4 (Westman Exhibit 13, Amended Schedules  
5 of Assets and Liabilities for GMAC  
6 Residential Holding Company, LLC filed on  
7 July 3, 2012, marked for identification, as  
8 of this date.)

9 BY MS. MILLER:

10 Q. Ms. Westman, would you have identified  
11 intercompany payables to Debtors' advisors in  
12 connection with the schedules?

13 A. We provided a list from the general  
14 ledger of intercompany receivable/payable  
15 balances for the Debtors.

16 Q. Is it your understanding that the list  
17 of general ledger intercompany receivables and  
18 payable balances were accurate when you provided  
19 them to the Debtors -- or, when you provided  
20 them for the Debtors?

21 MR. KERR: Objection.

22 A. They reflected the information from  
23 our general ledger to the best of your  
24 knowledge.

25 Q. Do you have any reason to believe that

1 B. WESTMAN

2 the information in your general ledger was  
3 inaccurate?

4 A. No.

5 Q. Do you have any reason to believe that  
6 the transactions as characterized -- strike  
7 that.

8 Turning to page 4 of 13 in Westman  
9 Exhibit 13, would you have provided the  
10 information -- schedules to support the four  
11 identified intercompany payable amounts included  
12 in this schedule?

13 A. Would have provided a support schedule  
14 from the general ledger for the intercompany  
15 payables on a gross basis in the schedule.

16 Q. And so that includes the intercompany  
17 payable from GMAC Residential Holding Company to  
18 GMAC Mortgage, LLC in the amount of  
19 \$58,173,460.04, correct?

20 A. Correct.

21 Q. And it would also include the  
22 intercompany payable from GMAC Mortgage --  
23 sorry, GMAC Residential Holding Company, LLC to  
24 Home Connects Lending Services, LLC in the  
25 amount of \$54,584,051.22, correct?

1 B. WESTMAN

2 A. Correct.

3 Q. And it would also have included the  
4 intercompany payable between GMAC Residential  
5 Holding Company, LLC and Residential Capital,  
6 LLC in the amount of -- sorry, \$38,284,486.27  
7 and in the amount of \$3,295,635,793.50, correct?

8 A. Correct.

9 (Discussion off the record.)

10 MS. MILLER: I would like to mark as  
11 Westman Exhibit 14 an e-mail chain dated  
12 July 31, 2012, and marked for identification  
13 in this matter with Bates No. RCJSN10028118  
14 through 28119.

15 (Westman Exhibit 14, an e-mail chain  
16 dated July 31, 2012, bearing Bates Nos.  
17 Bates Nos. RCJSN10028118 through 28123,  
18 marked for identification, as of this date.)

19 MR. KERR: Actually, I think the Bates  
20 numbers run to 28123.

21 MS. MILLER: Yes, there are two --  
22 e-mails or two attachments? I think that  
23 the document is actually just the first two  
24 pages and then there's another e-mail that  
25 starts after that. I think it's two

1 B. WESTMAN

2 documents stapled together.

3 MR. KERR: Okay.

4 (Document review.)

5 BY MS. MILLER:

6 Q. Ms. Westman -- sorry, are you still  
7 reviewing? Are you still reviewing the  
8 document?

9 A. Oh, no. I'm fine. Thank you.

10 Q. Did you continue to receive requests  
11 for information related to the intercompany  
12 payables after the Debtors filed their Statement  
13 of Assets and Liabilities?

14 A. Yes, there were requests from various  
15 different parties throughout the year.

16 Q. And was one of those parties the  
17 Unsecured Creditors Committee?

18 A. Most likely, yes.

19 Q. Looking at Westman Exhibit 14, does  
20 this refresh your recollection that UCC,  
21 beginning at least in July of 2012, requested  
22 information regarding intercompany relationships  
23 and intercompany balances?

24 MR. KERR: Objection.

25 A. This indicates that a list was

1 B. WESTMAN

2 reviewed with the UCC.

3 Q. Do you recall having discussions with  
4 the UCC or any of their advisors relating to  
5 intercompany balances?

6 MR. KERR: You're talking about Ms.  
7 Westman herself?

8 MS. MILLER: Yes.

9 THE WITNESS: I don't specifically  
10 recall. I had discussions with several  
11 different creditors. I don't recall that I  
12 had a direct conversation with the UCC.

13 BY MS. MILLER:

14 Q. Do you know who the UCC's financial  
15 advisors were or are in connection with this  
16 matter?

17 A. I don't know them all by name, no.

18 Q. Do you know which firm is acting as  
19 financial consultant to the UCC?

20 A. There were different firms over  
21 different periods of time. I don't know all the  
22 names.

23 Q. Do you know whether Alix Partners is  
24 acting as financial advisor to the UCC in this  
25 matter?

1 B. WESTMAN

2 A. I don't recall which firm represents  
3 each creditor.

4 Q. Do you know whether people within  
5 ResCap had communications with the UCC or their  
6 advisors relating to intercompany balances?

7 A. I don't know about others, meetings  
8 with other people.

9 MS. MILLER: I would like to mark as  
10 Westman Exhibit 15 a document Bates-stamped  
11 for identification in this case UCC12846  
12 through UCC12852.

13 (Westman Exhibit 15, a document  
14 bearing Bates Nos. UCC12846 through  
15 UCC12852, marked for identification, as of  
16 this date.)

17 BY MS. MILLER:

18 Q. Ms. Westman, have you ever seen the  
19 attachment -- the document attached -- the first  
20 attachment to this e-mail? It's a chart titled  
21 "Intercompany Balance Analysis Based on Summary  
22 of Top Ten Intercos."

23 A. Yes, I've seen it.

24 Q. Did you review this document?

25 A. I've seen it. I don't believe I was

1 B. WESTMAN

2 ever asked to review it.

3 Q. Do you know what the column Debt --  
4 what the columns Debt and Equity are referring  
5 to in this chart?

6 A. I don't.

7 Q. Looking at the e-mail, it's an e-mail  
8 dated September 17, 2012, from Mark Renzi to a  
9 number of people at Alix Partners and at MoFo  
10 and at FTI and at other places that I can't  
11 identify based on the e-mail addresses. Do you  
12 see that?

13 A. Yes.

14 Q. Did you understand that there was an  
15 analysis being done regarding whether or not the  
16 intercompany payables and receivables were  
17 properly -- were proper debt transactions?

18 MR. KERR: Objection.

19 A. I was aware that there was discussion  
20 around the intercompany receivable/payables and  
21 how they would be treated in the bankruptcy. I  
22 wasn't involved in specific discussions.

23 Q. But you have seen a copy of this  
24 document?

25 A. Over the course of the year, I've seen

1 B. WESTMAN

2 this document, yes.

3 Q. And what's your understanding of what  
4 this document is?

5 MR. KERR: Objection.

6 A. It's a document that's talking about  
7 the top ten balances and providing some  
8 information about those balances.

9 Q. What kind of information is it  
10 providing about those balances?

11 A. I didn't prepare the document, so I'm  
12 not sure I can answer that. It must be  
13 someone's analysis, but...

14 Q. And there are facts included in both  
15 the Debt and the Equity column for the listed  
16 transactions, correct?

17 A. There's information listed there.

18 Q. In both columns, correct?

19 A. There's information in both columns.

20 Q. And just so that the record is clear,  
21 there are facts and information listed with  
22 respect to transactions number 1, 2, 3, 7 and 8  
23 in both the Debt and the Equity columns,  
24 correct?

25 A. I'm sorry, can you repeat the



1 B. WESTMAN

2 question?

3 Q. There -- is it correct that there are  
4 facts and information listed with respect to  
5 transactions number 1, 2, 3, 7 and 8 in the  
6 column -- in both the column titled Debt and the  
7 column titled Equity, correct?

8 A. There is information in both columns.

9 MR. KERR: Atara, just so the record  
10 is clear, I would note that the document --  
11 the attachment you're referring to says on  
12 it it's for settlement discussion purposes  
13 only, so...

14 MS. MILLER: Understood.

15 I'd like to mark as Westman Exhibit 16  
16 an e-mail with attachments, Bates-stamped  
17 RCUCCJSN30002758 through 2769.  
18 (Westman Exhibit 16, an e-mail with  
19 attachments, bearing Bates Nos.  
20 RCUCCJSN30002758 through 2769, marked for  
21 identification, as of this date.)

Plaintiff's  
Objection  
129:15-21  
Lack of  
foundation  
(FRE 602,  
901, 903)

22 BY MS. MILLER:

23 Q. Ms. Westman, do you recall receiving  
24 requests for information relating to  
25 intercompany balances in 2013?

1 B. WESTMAN

2 A. Yes.

3 Q. Do you recall who you received those  
4 requests for information from?

5 A. I don't know all the individuals I  
6 received requests from.

7 Q. Do you remember which groups or  
8 representative parties?

9 A. I do not.

10 Q. Looking at the document that's been Plaintiff's  
11 marked Westman Exhibit 16, the e-mail that Objection  
12 starts on the first page of the document is a 130:10-131:4:  
13 e-mail dated March 4, 2013 from you to Mark objection to form;  
14 Renzi, Brian McDonalds -- sorry, Brian McDonald, compound; vague  
15 CC-ing Jacob Bazella and Jill Horner, attaching and ambiguous  
16 a number of documents, and you write, "Here are  
17 two responses to the UCC questions in the  
18 attached document Intercompany Questions 25 --  
19 2\_25\_13."

20 Does that refresh your recollection  
21 that in March -- in or around February and March  
22 2013 you were receiving and responding to  
23 inquiries from the UCC regarding intercompany  
24 balances?

25 MR. KERR: Objection.

1 B. WESTMAN

2 A. In this e-mail I was responding to a  
3 request looks like from FTI from Mark Renzi for  
4 information related to UCC questions.

5 Q. And what did you understand "UCC  
6 questions" to mean?

7 A. The UCC had asked questions about the  
8 intercompany balances and we were working to  
9 respond to those requests.

10 MS. MILLER: I'd like to mark as  
11 Westman Exhibit 17 a document that was  
12 Bates-stamped in this case RCJSN00025680,  
13 which at least for right now is an e-mail  
14 without the attachment.

15 (Westman Exhibit 17, an e-mail bearing  
16 Bates Nos. RCJSN00025680, marked for  
17 identification, as of this date.)

18 MR. KERR: This is number 17, right?

19 MS. MILLER: This is 17, and I promise  
20 I won't ask questions about the attachment.

21 BY MS. MILLER:

22 Q. Ms. Westman, this e-mail is an e-mail  
23 from you to Mark Renzi and Filip Szymik dated --  
24 with a subject line "Additional Intercompany  
25 Information," and you start by writing in this

1 B. WESTMAN

2 document, you start by stating, "A couple  
3 additional documents or explanations for the  
4 deck."

5 Do you recall what deck you are  
6 referring to?

7 A. I don't recall. We responded to many  
8 different requests.

9 Q. Do you recall that FTI was preparing a  
10 PowerPoint presentation relating to intercompany  
11 transactions?

12 A. FTI prepared many documentations. I  
13 don't know which specific deck you're referring  
14 to.

15 Q. And in this e-mail you include  
16 excerpts from an older e-mail that we have  
17 somewhere in the repository in which Cathy  
18 explained the general cash movement within the  
19 company and the development of the intercompany  
20 balances. Do you see that?

21 A. Yes.

22 Q. And in this e-mail -- I'm going to  
23 refer to it as what Cathy said, even though  
24 you're including it in your e-mail, but based on  
25 what you said, is it your understanding that the

1 B. WESTMAN

2 indented portion is -- was actually written by  
3 Cathy Dondzila?

4 A. That's correct.

5 Q. And Ms. Dondzila explains that, "In  
6 the beginning," and it sounds very Biblical, I'm  
7 not sure what was meant by "in the beginning,"  
8 but in the beginning, the intention was that  
9 ResCap, the parent entity, would be receiving  
10 money and pushing it down to its operating  
11 entities.

12 Is that your understanding of how the  
13 ResCap structure and use of cash worked in the  
14 beginning?

15 MR. KERR: Objection.

16 A. That was my understanding from  
17 discussion with Cathy.

18 Q. Do you have any sense of what  
19 timeframe "in the beginning" is referring to?

20 A. I don't.

21 Q. During your time -- throughout your  
22 time -- sorry. Strike that.

23 Was that the cash flow situation at  
24 any point while you were a ResCap employee?

25 MR. KERR: Objection.

1 B. WESTMAN

2 A. ResCap issued public debt to the JSNs  
3 in 2008 after I was a contractor with the  
4 organization.

5 Q. Have there been any other instances  
6 since that time of ResCap parent entity  
7 generating money that then got pushed down to  
8 its subsidiaries?

9 MR. KERR: Objection.

10 A. I'm not aware of all the instances  
11 where ResCap may generate cash. There could be  
12 a variety of ways they would generate cash.

13 Q. And how does Ms. Dondzila explain the  
14 market changing or the -- sorry, strike that.

15 How does Ms. Dondzila explain that the  
16 flow of cash changed within ResCap after the  
17 credit crisis and the market implosion?

18 MR. KERR: Objection. You're asking  
19 her what Cathy said in the document, in the  
20 inserted part of the e-mail?

21 Q. What was your understanding of how the  
22 flow of cash changed within ResCap following the  
23 credit crisis and the market implosion?

24 A. I believe this is a reference to the  
25 fact that the underlying subsidiaries, RFC and

1 B. WESTMAN

2 GMAC Mortgage, became borrowers and generated  
3 cash through borrowings and/or through their  
4 operations, and that cash would have flowed  
5 through the organization up to ResCap as part of  
6 that cash management process.

7 Q. And would that include also the  
8 operations at their subsidiaries?

9 A. Yes.

10 Q. Is it your understanding that the  
11 daily sweep process described in the next  
12 paragraph refers to the cash management process  
13 we were discussing earlier?

Plaintiff's  
Objection  
135:10-16:  
hearsay (FRE  
802), lack of  
personal  
knowledge (FRE  
602), irrelevant  
(FRE 401, 402)

14 MR. KERR: Objection.

15 A. Yes, that would be my understanding of  
16 what she's describing.

17 MS. MILLER: I would like to mark as  
18 Westman Exhibit 18 -- as Westman Exhibit 18  
19 a document Bates-stamped EXAM0034894 through  
20 905.

21 (Westman Exhibit 18, a document  
22 bearing Bates Nos. EXAM0034894 through 905,  
23 marked for identification, as of this date.)

24 BY MS. MILLER:

25 Q. Ms. Westman, do you recognize this

1 B. WESTMAN

2 document?

3 A. I do.

4 Q. And can you tell me what this document  
5 is?

6 A. It was a deck regarding intercompany  
7 transactions put together by FTI.

8 Q. Do you know what purpose this deck was  
9 put together for?

10 A. There may have been a couple versions  
11 of this. This looks similar to a deck that was  
12 put together for the SUN. I can't say if that  
13 is in fact that exact deck.

14 Q. And would you have provided  
15 information to FTI that was included in this  
16 deck?

17 A. Yes, this would have been based on  
18 information we provided --

19 Q. And specifically --

20 A. -- in that regard.

21 Q. And specifically, would you have  
22 provided the Net Payable Balance information  
23 listed on page 3 of the deck?

24 A. That would have been -- we would have  
25 provided a support file from the general ledger



1 B. WESTMAN

2 with the intercompany receivable/payable  
3 balances that would support that.

4 Q. Looking at page 6 of the deck,  
5 looking, for example, at Accounts Receivable  
6 entity number 2, Residential Funding Company,  
7 RFC, the comments say, "Balance generally arose  
8 out of operation of the company's centralized  
9 cash management system."

10 Do you know what centralized cash  
11 management system the FTI is referring to in  
12 this deck or is being referred to here?

13 A. The information in this deck, these  
14 were general assumptions or high-level  
15 explanations that we were looking to gather  
16 about these individual balances. That  
17 particular statement would have been referencing  
18 the cash management process where cash is swept  
19 through the organization.

20 Q. So there isn't another formal system  
21 that's in place, just a general process?

22 A. Correct.

23 MR. KERR: Objection.

24 Q. Would you have provided information to  
25 FTI to support their comments?

1 B. WESTMAN

2 MR. KERR: Which specific comments are  
3 you talking about? The ones -- which  
4 comments?

5 MS. MILLER: The ones in support of --  
6 sorry, the ones listed on pages 6 through 8.

7 THE WITNESS: I can't speak to every  
8 comment, whether we provided information for  
9 each of the comments. We provided  
10 information as input, but I don't know  
11 whether that was for every item, every  
12 comment in this deck.

13 BY MS. MILLER:

14 Q. Would you have provided information  
15 regarding whether a balance arose out of the  
16 company's centralized cash management system?

17 A. When we provided information that a  
18 balance was related to the cash management  
19 system, that means that that is a possible  
20 explanation or a partial explanation for those  
21 balances.

22 So those particular entities would  
23 have been impacted by that situation of managing  
24 cash. It doesn't imply that that's the complete  
25 explanation for that balance. It's an example

1 B. WESTMAN

2 of the type of activity that could create  
3 intercompany balances.

4 Q. So looking, for example, at the first  
5 line relating to Res -- to the RFC balance, it  
6 says, "Balance generally arose out of operation  
7 of the company's centralized cash management  
8 system."

9 Would you have provided information to  
10 FTI to support the statement that "the balance  
11 generally arose out of operation of the  
12 company's centralized cash management system"?

13 MR. KERR: Objection.

14 A. We would have provided commentary that  
15 said that that is a situation that's applicable  
16 and that our belief would be that that was a --  
17 an example of what would have created this  
18 transaction or this balance.

19 It doesn't imply that that's the  
20 complete explanation. It's a portion or a part  
21 of the way that this balance is created; that  
22 this entity is impacted by that cash management  
23 situation.

24 Q. Understood. Is it -- do you believe  
25 that it's accurate to say that the balance

Plaintiff's  
Objection  
139:24-140:9  
Lack of  
personal  
knowledge  
(FRE 602)

1 B. WESTMAN

2 generally arose out of the operation of the  
3 company's centralized cash management system?

4 A. Because it's very, very difficult to  
5 tie individual transactions to the reason for  
6 the transaction, to the best of our knowledge,  
7 that was our belief; that that is a reason for  
8 those balances, but there isn't specific  
9 documentation to support that.

10 MS. MILLER: We've been I think going  
11 for about an hour. I don't know if you want  
12 to take a break on.

13 MR. KERR: Sure. You want to take a  
14 break?

15 THE VIDEOGRAPHER: The time is 2:51.  
16 This is the end of tape labeled number 3.  
17 We'll be going off the record.

18 (Recess.)

19 (Recess.)

20 THE VIDEOGRAPHER: This is the start  
21 of tape labeled number 4. The time is 3:07.  
22 We're back on the record.

23 MS. MILLER: I would like to mark as  
24 Westman Exhibit 19 a document Bates-stamped  
25 EXAM00107037 through 41.

1 B. WESTMAN

2 (Westman Exhibit 19, a document

3 bearing Bates Nos. EXAM00107037 through 41,

4 marked for identification, as of this date.)

5 BY MS. MILLER:

6 Q. Ms. Westman, do you recognize this  
7 document?

8 A. Yes.

9 Q. And what is it?

10 A. This is a loan agreement between  
11 ResCap and GMAC Residential Holding Company.

12 Q. Is it also a loan agreement between  
13 ResCap and GMAC Mortgage Corporation and  
14 Residential Funding Corporation?

15 A. Yes.

16 Q. And do you understand what this  
17 agreement relates to?

18 A. This is an intercompany agreement that  
19 we identified in our research representing a  
20 relationship between the entities within this  
21 agreement. It's an old document so I'm not  
22 familiar with the origin of it.

23 Q. And before you started doing your  
24 research in connection with the intercompany  
25 claims that we've been talking about starting in

1 B. WESTMAN

2 the fall of 2011, were you familiar with any  
3 agreements that governed the intercompany  
4 relationship between ResCap and its  
5 subsidiaries?

6 MR. KERR: Objection.

7 A. Can you repeat the question?

8 Q. Yes. Sorry. Let me restate that.

9 Prior to the fall of 2011, were you  
10 familiar with any loan agreements governing  
11 intercompany balances between ResCap and any of  
12 its subsidiaries?

13 A. I think prior to that I didn't  
14 personally have occasion to look at the loan  
15 documents.

16 Q. And since you started collecting  
17 documentation relating to the intercompany loan  
18 balances -- let me strike that.

19 You have no personal knowledge of  
20 whether or not there are any other loan  
21 agreements other than the ones you identified in  
22 connection with your collection of materials  
23 related to the intercompany balances, correct?

24 MR. KERR: Objection.

25 A. Could you restate the question?

1 B. WESTMAN

2 Q. Do you know personally whether there  
3 are any loan agreements between any ResCap  
4 entities regarding -- that you have not  
5 collected in connection with your review of  
6 intercompany balances?

7 A. No.

8 Q. When you say this is an old document,  
9 specifically the agreement is dated as of  
10 January 1, 2006, correct?

11 A. Correct.

12 MS. MILLER: I'd like to mark as  
13 Westman Exhibit 20 a document Bates-stamped  
14 EXAM001030 through 35.  
15 (Westman Exhibit 20, a document  
16 bearing Bates Nos. EXAM001030 through 35,  
17 marked for identification, as of this date.)

18 BY MS. MILLER:

19 Q. I've marked as Westman Exhibit 20 an  
20 Amended and Restated Intercompany Advance  
21 Agreement dated as of June 30, 2006 between  
22 Homecomings Financial Network, Inc. and  
23 Residential Funding Corporation.

24 Ms. Westman, have you seen this  
25 document before?

Plaintiff's  
Objection  
143:12-144:3  
Lack of  
foundation  
(FRE 602, 901,  
903)

1 B. WESTMAN

2 A. I don't specifically recall this  
3 document. I may have.

4 Q. When you collected documentation  
5 relating to the intercompany balances, did you  
6 review the agreements?

7 A. When we identified agreements, we  
8 looked for agreements between the parties. For  
9 instance, if we were looking related to the top  
10 ten, we would have looked specifically for  
11 agreements between those particular entities.

12 We also looked for agreements that had  
13 intercompany, so did searches for those  
14 agreements, and we produced whatever documents  
15 we found. We weren't necessarily able to  
16 connect those agreements to the balances other  
17 than that they impacted the parties that we were  
18 looking for.

19 Q. You have no understanding of whether  
20 this agreement would govern the situation where  
21 the lending relationship contemplated by the  
22 agreement is reversed, do you?

23 A. No knowledge of that. This is a very  
24 old document as well.

25 Q. Is there anyone within ResCap who



1 B. WESTMAN

2 would have context for these agreements?

3 MR. KERR: Objection.

4 A. I'm not aware of anyone left within  
5 ResCap that would have knowledge of these  
6 agreements.

7 Q. Do you know if at the time that you  
8 started collecting documentation related to the  
9 intercompany balance there was anyone within  
10 ResCap who had personal information regarding  
11 these agreements?

12 A. Not to our knowledge. We attempted to  
13 reach out to parties who might have knowledge to  
14 get information about those relationships and  
15 what they might know, but we were not very  
16 successful on finding individuals that could  
17 speak to any particular agreement or a  
18 particular relationship.

19 MS. MILLER: I'd like to mark as  
20 Westman Exhibit 21 a document Bates-stamped  
21 EXAM00107022 through 29.

22 (Westman Exhibit 21, a document  
23 bearing Bates Nos. EXAM00107022 through 29,  
24 marked for identification, as of this date.)

25 BY MS. MILLER:

Plaintiff's  
Objection  
145:19-24: lack  
of foundation  
(FRE 602, 901,  
903)

1 B. WESTMAN

2 Q. Ms. Westman, do you recognize this  
3 document?

4 A. I don't specifically recall this  
5 document. I may have seen it.

6 Q. Is it your understanding that there is  
7 an agreement that governs the lending  
8 relationship between Residential Capital, LLC  
9 and RFC Asset Holdings II, LLC?

10 MR. KERR: Objection.

11 A. I'm aware that this agreement exists.  
12 I don't know any information about the  
13 agreement. I'm not familiar with the  
14 arrangement.

15 Q. In the process of -- this document --  
16 sorry. The document that's been identified  
17 as -- that's been marked as Westman Exhibit 21  
18 is an Intercompany Advance Agreement dated as of  
19 June 1, 2009 between Residential Capital, LLC  
20 and RFC Asset Holdings II, LLC.

21 Do you have any reason to believe that  
22 this is not an accurate copy of the agreement  
23 that it purports to be?

24 A. This is a document that we identified.  
25 I don't know anything more about the document.

1 B. WESTMAN

2 Q. And this document is a lot less old  
3 than the other ones. Did you attempt to find  
4 anybody within ResCap in the process of your  
5 collection of materials who was personally  
6 familiar with this agreement?

7 A. We did not find anyone who was  
8 personally familiar with it.

9 Q. Did you make those inquiries?

10 A. I don't remember specifically  
11 inquiring about this agreement, but we did make  
12 inquiries in general about the relationships. I  
13 don't remember anyone specifically calling out  
14 this agreement or indicating they were aware of  
15 it.

16 Q. And so you don't know if an agreement  
17 between Residential Capital, LLC and RFC Asset  
18 Holdings would also govern intercompany payables  
19 that arise out of money flowing from RFC --  
20 sorry, from money flowing to RFC Asset Holdings  
21 through Residential Funding Company, do you?

22 A. We can't tie transactions to an  
23 agreement. So, no, I don't have any knowledge  
24 of that.

25 Q. So you don't know one way or the

1 B. WESTMAN

2 other?

3 A. Correct.

4 MS. MILLER: I'd like to mark as  
5 Westman Exhibit 22 a document Bates-stamped  
6 EXAM00107300 through 307.

7 (Westman Exhibit 22, a document  
8 bearing Bates Nos. EXAM00107300 through 307,  
9 marked for identification, as of this date.)

10 BY MS. MILLER:

11 Q. Ms. Westman, is there anyone within  
12 ResCap who would have more information about  
13 these agreements than you?

14 A. Not to my knowledge.

15 Q. We marked as Westman Exhibit 22 an  
16 Intercompany Advance Agreement dated as of June  
17 1, 2009 between Residential Capital, LLC and  
18 Passive Asset Transactions, LLC. Do you see  
19 that?

20 A. Yes.

21 Q. And do you recognize this agreement?

22 A. Yes.

23 Q. You don't know whether this agreement  
24 would also govern intercompany transactions that  
25 flow from Passive Asset Transactions to GMAC

1 B. WESTMAN

2 Mortgage LLC, do you?

3 A. No, I don't know anything about this  
4 agreement.

5 Q. And so you don't know if it could also  
6 include subsidiaries of Residential Capital?

7 MR. KERR: Objection.

8 Q. Correct?

9 A. I don't know. It doesn't indicate  
10 anything about subsidiaries, but we were not  
11 able to find anyone with knowledge about this  
12 agreement.

13 MS. MILLER: I'd like to mark as  
14 Westman Exhibit 23 a document Bates-stamped  
15 EXAM12263381 through 406.

16 (Westman Exhibit 23, a document  
17 bearing Bates Nos. EXAM12263381 through 406,  
18 marked for identification, as of this date.)

19 BY MS. MILLER:

20 Q. Ms. Westman, we have marked as Westman  
21 Exhibit 23 an e-mail chain with some  
22 attachments. The top e-mail is dated March 22,  
23 2012, and it's an e-mail from you to Jeremy  
24 Stern and Mark Renzi with a CC to Liz Park and  
25 Cathy Dondzila regarding waterfall questions,

1 B. WESTMAN

2 and it attaches a spreadsheet entitled Top Ten  
3 Intercompany Relationships and a zip file which  
4 appears to have three files contained within it.

5 Looking at the e-mail that you sent to  
6 Jeremy, you note in the second sentence of the  
7 second paragraph that, "Some of the balances  
8 have flipped and the subs are now lending money  
9 instead."

10 Do you have an understanding of why  
11 that's the case?

12 A. No, it was simply an observation.  
13 Again, we were attempting to find agreements  
14 with the parties on the top ten list, and so  
15 this was -- I was providing documentation that  
16 we found that could in any way be related or  
17 that was intercompany, and so simply noting  
18 that, while we found agreements, they may not be  
19 between the correct parties that we were looking  
20 for or they may not go in the direction as  
21 specified in the agreement. So it was just  
22 calling out what we had identified and what we  
23 had found. I don't have any knowledge about the  
24 agreements themselves.

25 Q. Okay. And looking at the second

1 B. WESTMAN

2 attachment, which is -- there's the Bates stamp  
3 EXAM12263385 through 90, does this refresh your  
4 recollection that you have in fact previously  
5 seen the Amended and Restated Intercompany  
6 Advance Agreement dated as of June 30 between  
7 Homecomings Financial Network and Residential  
8 Funding Corporation?

9 A. Yes.

10 Q. And that is the same agreement that we  
11 previously marked as Westman Exhibit 20,  
12 correct?

13 A. Yes.

14 Q. Do you have an understanding whether  
15 interest was to be accrued and paid under each  
16 of the intercompany loan agreements we looked  
17 at?

18 A. I don't without looking at the  
19 documents.

20 Q. Can we look back at Westman Exhibit  
21 19. Sorry. If you could look -- focusing first  
22 on Westman Exhibit 20, which was the Homecomings  
23 agreement we were just looking at, can you tell  
24 whether interest was to accrue on this balance?

25 A. Within this agreement, or whatever is

1 B. WESTMAN

2 being referenced by this agreement, it does have  
3 an interest provision in item number 2.

4 Q. Did ResCap accrue interest on  
5 intercompany balances that weren't specifically  
6 governed by an agreement that interest would  
7 accrue?

8 MR. KERR: Objection.

9 A. Certain balances had interest accrued  
10 and other balances did not. They were generally  
11 historical practice and so don't necessarily  
12 have a reason why interest was accrued in  
13 certain instances and not in others.

14 Q. Do you know what the basis was for the  
15 historical practices?

16 A. Historical practice. So, from my  
17 knowledge, certain balances were accruing  
18 interest and they continued to accrue interest.  
19 I don't know the -- when it started or the  
20 reason that interest would have accrued on  
21 certain balances.

22 MS. MILLER: I'd like to mark as

23 Westman Exhibit 24, a document Bates-stamped

24 RCJSN10034044 through 050. The natives

25 threw it off.



1 B. WESTMAN

2 (Westman Exhibit 24, a document  
3 bearing Bates Nos. RCJSN10034044 through  
4 050, marked for identification, as of this  
5 date.)

6 BY MS. MILLER:

7 Q. Ms. Westman, I'd like to refer you to  
8 the document with the number -- that ends in the  
9 number 049. This is a January 11, 2012 e-mail  
10 from Jacob Bazella to Cathy Dondzila copying you  
11 with a "re" line "forward: Missed allocation in  
12 December." Do you recall this e-mail?

13 A. Yes, somewhat.

14 Q. Can you explain what this e-mail is  
15 dealing with?

16 A. For certain entities within the RFC  
17 side of the organization, interest accruals were  
18 run through a system entry that ran through the  
19 PeopleSoft system, and in this particular  
20 instance, it appears that that interest entry  
21 didn't run.

22 Q. Is there a specific intercompany  
23 balance that interest was supposed to accrue on  
24 that this -- sorry. Let me start over.

25 Is there a specific intercompany

1 B. WESTMAN

2 balance that interest did not accrue on in this  
3 situation that's being addressed in the January  
4 11, 2012 e-mail?

5 A. This indicates that the interest  
6 accrual between RFC and HFN, which is  
7 Homecomings Financial, did not run.

8 Q. Is it your understanding that, in the  
9 intercompany balance that's being referred to in  
10 this e-mail, Homecomings Financial is the lender  
11 and RFC is the borrower?

12 MR. KERR: Objection.

13 A. In this particular intercompany  
14 balance, Homecomings was receiving the interest  
15 income. So it would have been the entity that  
16 held the receivable.

17 Q. And it says in the next paragraph  
18 that, "This allocation is based off an interest  
19 rate that is received by Treasury during close  
20 and I believe represents a blended COF rate  
21 across ResCap."

22 Do you know where that interest rate  
23 is derived from?

24 A. I don't. It was a normal input into  
25 the month-end close process. I don't know how

1 B. WESTMAN

2 it was derived.

3 Q. Do you know what "COF" means?

4 A. Cost of funds.

5 Q. Can you turn back to Westman Exhibit  
6 20, please, which is the Amended and Restated  
7 Intercompany Advance Agreement between  
8 Homecomings Financial Network and Residential  
9 Funding Corporation.

10 In looking at paragraph number 2, can  
11 you tell me how interest -- what rate interest  
12 was supposed to accrue at under this agreement?

13 A. At a rate per annum equal to the  
14 lender's cost of funds for such date, but in no  
15 event at a rate per annum greater than the  
16 highest rate permitted by applicable law.

17 MS. MILLER: I'd like to mark as  
18 Westman Exhibit 25 a document Bates-stamped  
19 RCUCCJSN10895541 through 5550.

20 (Westman Exhibit 25, a document  
21 bearing Bates Nos. RCUCCJSN10895541 through  
22 5550, marked for identification, as of this  
23 date.)

24 BY MS. MILLER:

25 Q. Ms. Westman, I have marked as Exhibit

1 B. WESTMAN

2 25 a e-mail chain between different groups of  
3 people, so I'm not going to go through them all,  
4 beginning on May 31, 2012, through June 1, 2012,  
5 "Re: Resi interest - May," and if you would  
6 flip to the end -- the beginning of that chain,  
7 which is at the end of the document, do you  
8 recall the situation that was being discussed in  
9 this e-mail chain?

10 A. Yes.

11 Q. And what happened?

12 A. An interest payment on intercompany  
13 balance between ResCap and Resi Holdings was  
14 generated through a system process  
15 post-bankruptcy, and because of the bankruptcy,  
16 that interest should not have been generated.

17 Q. Is it your understanding that the  
18 interest that accrued between ResCap and Resi  
19 Holdings accrued in the ordinary course of  
20 business?

21 MR. KERR: Objection.

22 Q. Sorry. Let me restate that.

23 Is it your understanding that this was  
24 a regular accrual of interest between ResCap and  
25 Resi Holdings?

1 B. WESTMAN

2 A. Yes.

3 MS. MILLER: I'd like to mark as  
4 Westman Exhibit 26 a document Bates-stamped  
5 RCUCJSN10692261 through 2266.

6 (Westman Exhibit 26, a document  
7 bearing Bates Nos. RCUCJSN10692261 through  
8 2266, marked for identification, as of this  
9 date.)

10 BY MS. MILLER:

11 Q. Ms. Westman, I have marked as Westman  
12 Exhibit 26 an e-mail. It's an e-mail chain with  
13 the top e-mail being an e-mail dated December 1,  
14 2012, from you to Brian McDonald, Mark Renzi and  
15 Liz Park at FTI, copying Cathy Dondzila and Jill  
16 Horner, relating to open items for various  
17 requests. Do you see that?

18 A. Yes.

19 Q. And it attaches three documents, do  
20 you see that?

21 A. Yes.

22 Q. And in specific, item number 4, which  
23 is titled "Schedule of Intercompany Interest  
24 payments for Alix Partners," you note,  
25 "Complete. ResCap intercompany interest

1 B. WESTMAN

2 schedule attached. Please forward to the UCC."

3 MR. KERR: Objection.

4 MS. MILLER: The basis of your  
5 objection?

6 MR. KERR: Actually, I see. I  
7 withdraw my objection. I read the e-mail  
8 wrong. No objection.

9 BY MS. MILLER:

10 Q. Ms. Westman, did you prepare a  
11 schedule of intercompany interest?

12 A. I did not prepare the schedule.

13 Q. Do you know who did prepare it?

14 A. I don't know who prepared it.

15 Q. Did you review the schedule?

16 A. I passed the schedule on. I don't  
17 recall if I reviewed it. I believe it might  
18 have been prepared by Matt McGarvey.

19 Q. Do you have any reason to believe that  
20 the information in the schedule is not accurate,  
21 an accurate reflection of ResCap's business  
22 records?

23 A. No.

24 Q. Looking at the schedule, which is the  
25 second attachment to the e-mail, starting at

1 B. WESTMAN

2 Bates No. RCUCCJSN10692265, the schedule  
3 identifies interest being accrued on  
4 intercompany balances between GMAC Residential  
5 Holdings and Residential Capital on the balance  
6 of \$38-plus million, do you see that?

7 A. I'm sorry, could you rephrase your  
8 question?

9 Q. Yes. Which intercompany balances does  
10 the schedule reflect interest being accrued on?

11 A. I'm not sure I fully understand the  
12 schedule.

13 Q. Do you understand that the schedule  
14 identifies certain intercompany balances and  
15 whether interest was accrued and/or paid on  
16 those balances?

17 A. Yes.

18 Q. Can you identify those intercompany  
19 balances that, according to this schedule, had  
20 interest accrue on?

21 A. For the first set of items between  
22 GMAC Residential Holding and Residential  
23 Capital, that relationship had interest accrued.  
24 The \$38 million in this instance is the interest  
25 accrual on the balance.

Plaintiff's  
Objection  
159:13-160:4  
Incomplete  
(FRE 106)

1 B. WESTMAN

2 The schedule also indicates that RFC  
3 Asset Holding II and Residential Funding Company  
4 balance had interest accrued but not paid.

5 Q. What does it mean when interest was  
6 accrued and not paid?

7 A. It means that interest was calculated  
8 and recorded in the general ledger as interest  
9 receivable/payable, but it was not cash-settled.

10 Q. And would it have increased the net  
11 intercompany balance -- or, sorry, would it have  
12 increased or decreased -- let me start over.

13 Would it have increased the net  
14 intercompany balance between the two entities?

15 A. It was reflected within the  
16 intercompany balances between the entities. It  
17 was included in the interest accruals on either  
18 side.

19 Q. Which other intercompanies are  
20 reflected as having interest accrued?

21 A. GMAC Mortgage and GMAC Residential  
22 Holding Company had interest accrued but not  
23 paid. Residential Funding Company and RFC Asset  
24 Management had interest accrued but not paid.

25 Q. And again, when you say "interest



1 B. WESTMAN

2 accrued but not paid," that means a change in  
3 the intercompany balance as opposed to a  
4 transfer of cash, correct?

5 A. Yes, it means we would have -- would  
6 have recorded an interest receivable, an  
7 intercompany interest receivable, an  
8 intercompany interest payable transaction, and  
9 that would have been included in the  
10 intercompany balances.

11 Q. Ms. Westman, did any of the ResCap  
12 entities file financial statements on an  
13 unconsolidated basis?

14 A. Several ResCap subsidiaries filed  
15 their own consolidated financials for that  
16 subsidiary where they're consolidated  
17 subsidiaries. There may have been entities that  
18 filed on a standalone basis in prior periods.

19 Q. And which entities -- how would you  
20 refer to the filing of a rolled-up consolidated  
21 filing at a subsidiary level?

22 A. Would -- for instance, a consolidated  
23 financial statement for GMAC Mortgage would have  
24 included GMAC Mortgage and all of its  
25 subsidiaries consolidated.

1 B. WESTMAN

2 Q. So which entities within the ResCap  
3 group filed consolidated financial statements?

4 A. That varies for different periods of  
5 time.

6 Q. Starting when you first started  
7 working with ResCap in 2008, do you know which  
8 ResCap entities filed consolidated financial  
9 statements?

10 MR. KERR: Objection.

11 A. To my knowledge for 2008, ResCap RFC  
12 and GMAC Mortgage created consolidated financial  
13 statements.

14 When you indicate "filed," I'm not  
15 sure how you're defining that term, but they did  
16 have audited financial statements produced.

17 Q. And were those audited financial  
18 statements submitted to any third parties?

19 A. The ResCap financial statements for  
20 2008 and a period of 2009 were filed with the  
21 SEC, and after that, they were privately filed  
22 on a Website.

23 They were also provided -- may have  
24 been provided to various regulatory agencies  
25 and/or creditors under various agreements.

1 B. WESTMAN

2 Q. Do you know which regulatory agencies  
3 ResCap submitted its financials to?

4 A. I do not.

5 Q. Do you know which regulatory agencies  
6 GMAC Mortgage submitted its financials to?

7 A. GMAC Mortgage submitted their  
8 financials to HUD, and copies of financials  
9 would have been submitted to Compliance, who may  
10 have provided them to other entities.

11 Q. Do you know whether GMAC Mortgage  
12 filed its own tax returns, state tax returns?

13 A. I'm not familiar with the filing of  
14 tax returns.

15 Q. Do you know whether Residential  
16 Funding Company submitted -- which regulatory  
17 agencies RFC submitted its financials to?

18 A. RFC would have also submitted  
19 financials to HUD and to Compliance.

20 Q. What do you mean by "Compliance"?

21 A. The Compliance Department handled  
22 various state licensing or other regulatory  
23 licensing, so they received copies of the  
24 financials. I don't know who they provide them  
25 to.

1 B. WESTMAN

2 Q. Is it your understanding that they do  
3 in fact provide them to certain licensing  
4 agencies?

5 A. I don't have any knowledge of what  
6 they do with them.

7 Q. Do you know -- do you know if  
8 they're -- do you know whether in 2009 any  
9 ResCap subsidiaries other than GMAC Mortgage and  
10 Residential Funding Company filed consolidated  
11 financial statements?

12 A. To my knowledge --

13 MR. KERR: Objection.

14 A. To my knowledge, after --

15 MR. KERR: Objection.

16 Q. Okay. Do you know whether in 2009 any  
17 ResCap subsidiaries other than GMAC Mortgage and  
18 Residential Funding Company prepared audited  
19 consolidated financial statements?

20 A. Not to my knowledge.

21 Q. Is it your understanding that in 2009  
22 GMAC Mortgage and RFC prepared audited  
23 consolidated financial statements?

24 A. Yes.

25 Q. Is it your understanding that GMAC

1 B. WESTMAN

2 Mortgage and RFC prepared audited consolidated  
3 financial statements for 2010?

4 A. Yes.

5 Q. And for 2011?

6 A. Yes.

7 Q. And in 2000 were GMAC Mortgage's  
8 audited consolidated financial statements  
9 submitted to HUD in 2009, '10 and '11?

10 A. To my knowledge, yes.

11 Q. And were they also submitted to the  
12 Compliance Department for purposes of evaluating  
13 compliance with state licensing requirements?

14 A. To my knowledge, yes.

15 Q. And were RFC's audited consolidated  
16 financial statements for 2009, '10, '11  
17 submitted to HUD?

18 A. To my knowledge, yes.

19 Q. And were they also submitted to the  
20 Compliance Department for consideration of  
21 whether RFC was in compliance with certain state  
22 licensing requirements?

23 A. To my knowledge, yes.

24 Q. And do you know whether RFC had to  
25 affirmatively report compliance to certain state

1 B. WESTMAN

2 licensing agencies?

3 A. I'm not aware of what the licensing  
4 requirements were or reporting requirements.

5 Q. Do you know if there were any net  
6 worth requirements?

7 A. I don't know for the various states.

8 Q. Do you know if any state had a net  
9 worth requirement?

10 A. I don't have any knowledge of that.

11 Q. Do you know if HUD had a net worth  
12 requirement?

13 A. Yes, HUD had a net worth requirement.

14 Q. And do you know whether the standalone  
15 consolidated financial statements for GMAC  
16 Mortgage reflected its intercompany receivables  
17 and intercompany payables?

18 A. Could you repeat the question?

19 Q. Do you know whether -- sorry. Strike  
20 it.

21 A. Excuse me. Could I correct my answer?  
22 You had earlier asked about state, whether any  
23 state licensing had net worth, and in fact,  
24 there were states that had a net worth  
25 requirement that were monitored.

1 B. WESTMAN

2 Q. And do you know which states?

3 A. I don't recall which states offhand.

4 We had a spreadsheet where for certain periods  
5 of time those were monitored. If there was a  
6 requirement, whether it was a particular state  
7 for a particular license, if there were net  
8 worth requirements, those were monitored.

9 Q. And do you know if ResCap reported  
10 compliance to those states where there were net  
11 worth requirements?

12 A. I don't know how the reporting of that  
13 information worked.

14 Q. Is it your understanding that some of  
15 the amount -- is it your understanding that some  
16 amount of reporting of net worth was required?

17 MR. KERR: Objection.

18 A. We monitored net worth requirements.  
19 I'm not aware of -- of what Compliance did with  
20 that information or how they received that  
21 information.

22 Q. Were intercompany balances  
23 receivable -- payables and receivables reflected  
24 in the consolidated audited financial statements  
25 of GMAC Mortgage?

1 B. WESTMAN

2 A. Intercompany receivables and payables  
3 with GMAC Mortgage and any of its subsidiaries  
4 would have been eliminated in those financial  
5 statements under GAAP rules. Any intercompany  
6 balance with an entity outside of the GMAC  
7 Mortgage consolidation point would have been  
8 included in those financial statements.

9 Q. And so that would have included any  
10 intercompany balance between GMAC Mortgage, LLC  
11 and GMAC Residential Holding Company, LLC,  
12 correct?

13 A. Correct.

14 Q. And it would have also included any  
15 intercompany balance between GMAC Mortgage, LLC  
16 and Residential Funding Company, LLC, correct?

17 A. Correct.

18 Q. Were intercompany receivables and  
19 payables outside of the Residential Funding  
20 Company consolidated group reflected in  
21 Residential Funding Company's audited financial  
22 statements?

23 A. Yes.

24 Q. And that would include the  
25 intercompany balance between -- payable or



1 B. WESTMAN

2 receivable between Residential Funding Company,  
3 LLC and Residential Capital, LLC, correct?

4 A. To the extent there was a balance,  
5 yes.

6 Q. And it would also reflect any  
7 intercompany payable or receivable between  
8 Residential Funding Company, LLC and GMAC  
9 Mortgage, LLC, correct?

10 A. Correct.

11 Q. What impact, if any, did intercompany  
12 balances have on net worth calculations?

13 A. A specific net worth calculation,  
14 there were different calculations for different  
15 state licenses or HUD licenses, et cetera, for  
16 different reasons.

17 Q. What impact, if any, did intercompany  
18 balances have on net worth calculations for HUD?

19 A. For HUD, intercompany receivables were  
20 not an allowed asset. They were removed as an  
21 asset.

22 Q. And how are intercompany payables  
23 treated?

24 A. Intercompany receivables and payables  
25 were netted within a relationship. So, to the

1 B. WESTMAN

2 extent that a balance created -- the net balance  
3 was a receivable, it was ignored. To the extent  
4 that the net balance was a payable, it was  
5 included in the calculation. So it was a very  
6 conservative calculation.

7 Q. Do you know whether GMAC Mortgage  
8 reported financials to Fannie Mae?

9 A. I don't specifically recall if they  
10 did.

11 Q. Do you know whether GMAC Mortgage had  
12 to -- whether Freddie Mac had net worth  
13 requirements that GMAC Mortgage had to comply  
14 with?

15 A. I don't recall. I believe that that  
16 was included in our net worth calculations; that  
17 there was monitoring of those net worth  
18 balances. I don't know how that information was  
19 provided, who it was provided to.

20 Q. Do you know if GMAC Mortgage had to  
21 monitor its net worth for Ginnie Mae  
22 requirements also?

23 A. If it's in the net worth monitoring  
24 schedule, then we were monitoring it.

25 Q. You mentioned also that consolidated

Plaintiff's  
Objection  
170:25-171:12:  
lack of personal  
knowledge  
(FRE 602)

1 B. WESTMAN

2 financial statements of GMAC Mortgage and  
3 Residential Funding Company were provided to  
4 creditors. Which creditors received audited  
5 financial statements?

6 MR. KERR: Objection.

7 Q. Of GMAC Mortgage or Residential  
8 Funding.

9 MR. KERR: Objection.

10 A. The audited financials were provided  
11 to Treasury, who posted them to an Intralink  
12 site. I don't know who had access to that.

13 Q. Do you know -- do you know which  
14 agreements required reporting of audited  
15 financial statements for GMAC Mortgage?

16 A. I don't.

17 Q. Do you know any lending agreement that  
18 required reporting of financial statements for  
19 GMAC Mortgage?

20 A. I don't offhand. I assume the Ally  
21 revolver may have required it, but I don't know  
22 in particular.

23 Q. And do you know of any specific credit  
24 agreements that required reporting of the  
25 Residential Funding Company, LLC audited

1 B. WESTMAN

2 financial statements?

3 A. I believe those were also required by  
4 the Ally revolver. Beyond that, I don't.

5 Q. To the best of your knowledge, those  
6 audited financial statements were also given to  
7 Treasury and then posted on an Intralink site  
8 for the appropriate creditors to access?

9 A. Correct.

10 Q. And would intercompany balance --  
11 sorry. Would intercompany payables and  
12 receivables outside of the consolidated  
13 subsidiary group be reflected in its financial  
14 statements?

15 A. Yes. At the consolidation, any  
16 intercompany balance outside of that  
17 consolidation would have been reflected in those  
18 audited financial statements.

19 Q. And where would they be reflected?

20 A. Various places depending on if it was  
21 an intercompany receivable or an intercompany  
22 payable, and depending on the size of the  
23 balance, the receivables may have been reported  
24 in other assets. They may have been called out  
25 as a separate line item. Payables would have

1 B. WESTMAN

2 been reported in borrowings.

3 Q. Do you know whether GMAC Residential  
4 Holding Company ever prepared its own  
5 consolidated financial statements?

6 A. I believe historically it did.

7 Q. And do you know whether Homecomings  
8 Financial, LLC ever prepared its own financial  
9 statements?

10 A. Again, historically, I believe it did.

11 MS. MILLER: Do you want to take a  
12 break or keep going?

13 THE WITNESS: I'm fine.

14 MR. KERR: Keep going. That's fine.  
15 Keep going. When you do want to take a  
16 break, just let us know.

17 MS. MILLER: I'm having fun, but...

18 (Pause in the proceedings.)

19 THE WITNESS: We can take a break.

20 MR. KERR: Why don't we take a break.

21 THE VIDEOGRAPHER: The time is 4:10.

22 This is the end of tape labeled number 4.

23 We'll be going off the record.

24 (Recess.)

25 THE VIDEOGRAPHER: This is the start

1 B. WESTMAN

2 of tape labeled number 5. The time is 4:21.

3 We are back on the record.

4 MS. MILLER: I would like to mark as  
5 Westman Exhibit 27 a document Bates-stamped  
6 EXAM00123277 through 336, and it is the  
7 consolidated financial statements for the  
8 years ended December 31, 2010 and 2009 of  
9 Residential Funding Company, LLC.

10 (Westman Exhibit 27, a document  
11 bearing Bates Nos. EXAM00123277 through 336,  
12 marked for identification, as of this date.)

13 BY MS. MILLER:

14 Q. Ms. Westman, could you identify for me  
15 where in Exhibit 27 intercompany payables and  
16 receivables are reflected?

17 A. So, within page 4 in the consolidated  
18 balance sheet, in the assets, there is a  
19 receivable from parent and within liabilities  
20 there's also a line for borrowings from parent  
21 and affiliates.

22 Q. Do you have an understanding of which  
23 affiliate Residential Funding Company had a  
24 lending relationship with?

25 MR. KERR: Objection.

Plaintiff's  
Objection  
174:22-175:,  
lack of  
personal  
knowledge  
(FRE 602)

1 B. WESTMAN

2 A. Within the borrowings, it indicates  
3 borrowings from parent and affiliate. The only  
4 reference to affiliate is within the borrowings  
5 footnote.

6 Q. And what page is that on?

7 A. On page 36 and indicates Cerberus  
8 Secured Model Home Revolving Loan.

9 Q. Do you know whether intercompany --

10 MR. KERR: I'm sorry, have you  
11 finished looking into the document?

12 THE WITNESS: Uh-huh.

13 BY MS. MILLER:

14 Q. Do you know whether intercompany  
15 payables and receivables would also be reflected  
16 in the related-party transactions note on page  
17 58?

18 A. Yes, to the, again, to the extent that  
19 there was a balance that survived this  
20 consolidation, it would be reflected on page 58  
21 in Receivable From Parent and Borrowings -  
22 Parent and Affiliates.

23 MS. MILLER: I would like to mark as  
24 Westman Exhibit 28 a document Bates-stamped  
25 EXAM00234281 through 4349, which is the

1 B. WESTMAN

2 consolidated financial statements for the  
3 years ending December 31, 2011 and 2010 for  
4 GMAC Mortgage, LLC.

5 (Westman Exhibit 28, a document  
6 bearing Bates Nos. EXAM00234281 through  
7 4349, marked for identification, as of this  
8 date.)

9 MR. KERR: Atara, do you want her to  
10 do the same exercise?

11 MS. MILLER: Yes.

12 BY MS. MILLER:

13 Q. I was going to say I'm going to ask  
14 you to identify for me where in this document  
15 intercompany payables and receivables are  
16 reflected.

17 (Document review.)

18 THE WITNESS: Okay. Are we ready?

19 MR. KERR: Go ahead.

20 THE WITNESS: On page 4 within the  
21 balance sheet, there could be intercompany  
22 receivables included in the Other Asset line  
23 item and also under Liabilities in  
24 Borrowings From Parent.

25 Also would be included on page 31 in



1 B. WESTMAN

2 Other Assets. It could be included under  
3 Receivables From Affiliates. On page 32  
4 within the Borrowings footnote, Intercompany  
5 Balances could be reflected in the  
6 Borrowings From Affiliates.

7 On page 34, under the heading  
8 Borrowings From Parent and on page 65 in the  
9 Related Party footnote, it's Receivable from  
10 ResCap and Receivable from other affiliates,  
11 with Borrowings from RHC.

12 BY MS. MILLER:

13 Q. Would consolidated financial  
14 statements prepared by GMAC Residential Holding  
15 Company, LLC similarly reflect intercompany  
16 payables and receivables outside of the  
17 consolidated group?

18 A. I'm sorry, which financial statements?

19 Q. GMAC Residential Holding Company, LLC?

20 MR. KERR: Objection.

21 A. I'm not familiar with the GMAC  
22 Residential Holding Company financial  
23 statements. I'd have to look at them.

24 MS. MILLER: I'm going to mark as what  
25 has been Exhibit 29 a document Bates-stamped

Plaintiff's  
Objection  
177:13-23:  
objection to  
form; vague  
and  
ambiguous;  
lack of  
personal  
knowledge  
(FRE 602)

1 B. WESTMAN

2 EXAM00125358 through 416, which is the  
3 consolidated financial statements as of and  
4 for the years ending December 31, 2007 and  
5 2006 of GMAC Residential Holding Company,  
6 LLC.

7 (Westman Exhibit 29, a document  
8 bearing Bates Nos. EXAM00125358 through 416,  
9 marked for identification, as of this date.)

10 THE WITNESS: So on page 1, this  
11 financial statement has liabilities for  
12 affiliate borrowings. I don't know what  
13 affiliates are included within that balance,  
14 but that could include intercompany payable  
15 balances.

16 On page 36 under Borrowings footnote,  
17 the same affiliate borrowings. There's also  
18 page 53, Related Party Transactions, that  
19 may or may not include information on  
20 receivables. This is listing out  
21 transactions with related parties.

22 BY MS. MILLER:

23 Q. Also on the consolidated balance sheet  
24 on page 56, there's a line item under Assets  
25 that says "Accounts receivable intercompany"?

1 B. WESTMAN

2 MR. KERR: What page?

3 MS. MILLER: 56.

4 MR. KERR: Oh, 56. Okay.

5 BY MS. MILLER:

6 Q. And then Affiliate Borrowings or  
7 Accounts Payable Intercompany under Liabilities.  
8 Those would also reflect intercompany payables  
9 or receivables?

10 A. Yes, this is a -- yes, it would be  
11 included in those balances, to the extent they  
12 exist.

13 Q. Just so the record is clear, that was  
14 the consolidated balance sheet of GMAC  
15 Residential Holding Company and its subsidiaries  
16 supplemental schedule?

17 MS. MILLER: I would like to mark as  
18 Westman Exhibit 30 a document Bates-stamped  
19 RCUCCJSN30014296 through 299.

20 (Westman Exhibit 30, a document  
21 bearing Bates Nos. RCUCCJSN30014296 through  
22 299, marked for identification, as of this  
23 date.)

24 BY MS. MILLER:

25 Q. Ms. Westman, is it your

1 B. WESTMAN

2 understanding -- sorry. Ms. Westman, were GMAC  
3 Mortgage's financial statements prepared in  
4 accordance with GAAP?

5 A. For what time period?

6 Q. For 2008 through 2011?

7 A. Yes.

8 Q. And were Residential Funding Company's  
9 financial statements prepared in accordance with  
10 GAAP for that same period?

11 A. Yes.

12 Q. Looking at the document that I have  
13 marked Westman Exhibit 30, it's an e-mail chain  
14 from July 10 and 11, 2012, regarding legal  
15 entity trial balance. Tell me what this  
16 document is relating to.

17 A. We produced a ResCap-level proforma  
18 trial balance that identifies assets and the  
19 particular facility that those assets are  
20 collateral for, and we also prepare a version of  
21 that document at each individual legal entity  
22 FTI used for various presentations, and this  
23 e-mail is discussing questions about how to  
24 identify certain balances within that schedule.

25 Q. Do you know what it means that

1 B. WESTMAN

2 recoveries on interco are pledged assets?

3 A. That's not my statement so I can't  
4 interpret that statement.

5 Q. Looking at the e-mail at the bottom of  
6 the page numbered with the Bates number ending  
7 296 from you to Liz Park and Filip Szymik,  
8 copying Mark Renzi and Rob Joslin, you state,  
9 "When we break these out by each individual  
10 legal entity, there are very large intercompany  
11 balances that show for each legal entity."

12 Do you know why you mentioned that in  
13 this context?

14 A. We produced this workbook at the  
15 ResCap level and the only intercompanies, as we  
16 have been discussing, that survived are with  
17 affiliates outside of ResCap. That is what  
18 normally at the ResCap level appears within this  
19 balance.

20 However, when we produced that  
21 workbook for every individual legal entity,  
22 while all those intercompanies eliminating  
23 consolidation, the question was how would we  
24 present them. Those particular intercompanies  
25 don't give the relationships, et cetera, and FTI

1 B. WESTMAN

2 was using other intercompany documents to  
3 reflect however they were presenting those  
4 intercompany balances, so we were simply asking  
5 how they wanted it produced in the schedule so  
6 that they could use it appropriately for their  
7 purpose.

8 Q. And do you recall what the instruction  
9 you received was?

10 A. In reading Liz's response, she  
11 indicates that, "we can show the intercompany  
12 under revolver."

13 Q. What does that mean?

14 A. There's a column within the  
15 spreadsheet that indicates revolver. It  
16 indicates the collateral islands and she  
17 indicated we could leave it there; they would be  
18 removing them and replacing it with other  
19 information.

20 MS. MILLER: I would like to mark as  
21 Westman Exhibit 31 a document Bates-stamped  
22 RCJSN10015251 through 15268.

23 (Westman Exhibit 31, a document  
24 bearing Bates Nos. RCJSN10015251 through  
25 15268, marked for identification, as of this

1 B. WESTMAN

2 date.)

3 BY MS. MILLER:

4 Q. I've marked as Westman Exhibit 31 an  
5 e-mail chain -- well, an e-mail exchange between  
6 you and Janel Farley in March 2012 relating to  
7 an exchange that occurred in April, late April  
8 of 2011. Do you see that?

9 A. Yes.

10 Q. Is that an accurate description of  
11 what this e-mail chain is?

12 A. Yes.

13 Q. Do you remember the issue that was  
14 being addressed in April of 2011?

15 A. I don't. I need to read the e-mail  
16 chain.

17 Q. Sure. Take your time.

18 (Document review.)

19 Q. I'm going to direct your attention  
20 specifically to page 10015254 and the comment  
21 toward the bottom under Intercompany that says,  
22 "Inquiry of the appropriateness of considering  
23 collectability for intercompany receivables for  
24 standalone financial statements when the ability  
25 to be settled is in question. The facts for

1 B. WESTMAN

2 this question is that RFC has a \$2.3 billion  
3 receivable from its parent ResCap."

4 Does that refresh your recollection  
5 about what this e-mail chain in April of 2011  
6 was about?

7 A. I'm familiar with that statement. I'm  
8 not necessarily familiar with this particular  
9 e-mail chain. It seems to be about a variety of  
10 topics, but I'm familiar with that statement.

11 Q. And what does that statement mean?

12 A. As part of our financial statements  
13 for RFC, there is a receivable from ResCap on  
14 its financial statements, and we had to evaluate  
15 that receivable for collectability as part of  
16 our year-end audit. And we did that evaluation  
17 and I think that question was coming up in this  
18 e-mail string of whether that was an open issue  
19 or a closed issue.

20 Q. And do you recall whether it was an  
21 open issue or a closed issue?

22 A. It was a closed issue.

23 Q. And what was the determination?

24 A. The determination was, from a GAAP  
25 perspective, that that intercompany receivable



1 B. WESTMAN

2 could be reflected within the financial  
3 statements and it met the GAAP determination for  
4 collectability.

5 Q. And what is the GAAP determination for  
6 collectability?

7 A. It's just an analysis that we did and  
8 discussed with the auditors on whether that  
9 receivable could be collectable for GAAP  
10 purposes.

11 Q. So looking now, turning now to the  
12 page ending in 258, there's an e-mail about a  
13 week later in which Janel says to Kim Walsh,  
14 "The affiliate balance repayments aren't tied  
15 directly to any specific collateral cash flows,  
16 but we have a reasonable expectation that ResCap  
17 will have the capability to meet its obligations  
18 so no entry was recorded."

19 Is that consistent with your  
20 recollection of the conclusion of this inquiry?

21 MR. KERR: Objection.

22 A. The conclusion from the inquiry that  
23 we had with D&T was that the receivable could  
24 remain on the balance sheet of RFC Financial.

25 Q. And was that based on an assessment of

1 B. WESTMAN

2 whether ResCap had the ability to meet its  
3 obligations?

4 A. Yes, it was based on a GAAP assessment  
5 of that.

6 MS. MILLER: I'd like to mark as  
7 Westman Exhibit 32 --

8 (Discussion off the record.)

9 MS. MILLER: I'd like to mark as  
10 Westman Exhibit 32 an document Bates-stamped  
11 EXAM12412896 through 897.

12 (Westman Exhibit 32, a document  
13 bearing Bates Nos. EXAM12412896 through 897,  
14 marked for identification, as of this date.)

15 BY MS. MILLER:

16 Q. I've marked as Exhibit 32 an e-mail  
17 dated March 22, 2012 from you to Cathy Dondzila  
18 regarding RFC/ResCap Receivable Support Memo and  
19 attaching a 12/31/12 Receivable Support Memo.

20 Do you recognize this document?

21 A. I do.

22 Q. Is it a document --

23 MR. KERR: Just I think the top e-mail  
24 is from Cathy to Barb.

25 MS. MILLER: Oh, sorry. You're right,

1 B. WESTMAN

2 from Cathy to Barb.

3 BY MS. MILLER:

4 Q. The bottom e-mail is from you to Cathy  
5 Dondzila, but the top e-mail is in fact from  
6 Cathy to you.

7 MR. KERR: Right.

8 Q. Do you recognize the attachment to  
9 this e-mail?

10 A. Yes.

11 Q. And is it a document that you drafted?

12 A. Yes.

13 Q. Why did you prepare this  
14 intercompany -- this memo regarding the  
15 intercompany receivable between RFC and ResCap?

16 A. I drafted this memo to provide support  
17 to D&T as part of the year-end audit of RFC  
18 Financial statements in response to their  
19 question on that intercompany receivable  
20 reflected in those financial statements.

21 Q. And was the memo that you provided  
22 intended to support the recording of that  
23 intercompany receivable as a valid debt?

24 MR. KERR: Objection.

25 A. The memo was intended to support that

1 B. WESTMAN

2 receivable being on our balance sheet within  
3 those financial statements and that it was a  
4 valid receivable to reflect in the financial  
5 statements.

6 Q. What was the basis for determining --  
7 upon which you concluded that it was a valid  
8 receivable?

9 A. That it was a valid receivable as  
10 there was an ability for that to be collected,  
11 if necessary.

12 Q. And specifically, did you state that  
13 ResCap has \$2.6 billion in equity and other  
14 major operating subsidiaries -- in its other  
15 major operating subsidiary GMAC Mortgage, and if  
16 required, ResCap could support its payable to  
17 RFC through sales or other liquidations of its  
18 GMACM holdings and that ResCap also maintains a  
19 \$3.6 billion receivable from GMACM and could  
20 move assets from GMACM to RFC to reduce both  
21 outstanding balances?

22 A. Yes, that's stated in the memo.

23 Q. So is your conclusion that ResCap  
24 maintains the ability to support its  
25 intercompany obligations with RFC based in part

1 B. WESTMAN

2 on ResCap's receivable from GMAC Mortgage?

3 MR. KERR: Objection.

4 A. Could you rephrase your question?

5 Q. You conclude in the memo that, "ResCap  
6 maintains the ability to support its  
7 intercompany obligations with RFC," correct?

8 A. Correct.

9 Q. Is that -- is that, based on your  
10 assessment of -- strike.

11 That conclusion is based, at least in  
12 part, on the intercompany receivable that ResCap  
13 has from GMACM, correct?

14 A. That the financial statements reflect  
15 that there is a receivable from GMAC Mortgage  
16 and that that could support the ability for  
17 ResCap to meet that obligation to RFC for  
18 financial statement purposes.

19 Q. And did you meet with Deloitte &  
20 Touche about this?

21 A. We did.

22 Q. Deloitte & Touche was GMACM's auditor;  
23 is that right?

24 A. And ResCap's auditor.

25 Q. And was Deloitte -- did Deloitte &

Plaintiff's  
Objection  
189:25-190:4:  
lack of  
personal  
knowledge  
(FRE 602),  
hearsay (FRE  
802)

1 B. WESTMAN

2 Touche get comfort based on your memo that there  
3 should be no impairment to the receivable that  
4 RFC has from ResCap?

5 MR. KERR: Objection.

6 A. D&T signed off on the RFC Financial  
7 statements as they were presented.

8 Q. And as they were presented, included  
9 the full value of the receivable, correct?

10 A. It included the receivable from  
11 ResCap.

12 MS. MILLER: I'd like to mark as  
13 Westman Exhibit 33 a document Bates-stamped  
14 RCJSN10074531 through 536.

15 (Westman Exhibit 33, a document  
16 bearing Bates Nos. RCJSN10074531 through  
17 536, marked for identification, as of this  
18 date.)

19 MS. MILLER: Let me just clarify that.  
20 Westman Exhibit 33 is -- has the Bates range  
21 RCJSN100074531 through 540. I have marked  
22 as Westman Exhibit 33 a Bill of Sale and  
23 Transfer Agreement dated as of April 22,  
24 2011 by and between GMAC Mortgage, LLC and  
25 Residential Funding Company as well as a

1 B. WESTMAN

2 related letter agreement re netting relating  
3 to transferred mortgage loans between  
4 Residential Funding Company, GMAC Mortgage,  
5 LLC, GMAC Residential Holding Company, LLC,  
6 and Residential Capital, LLC.

7 BY MS. MILLER:

8 Q. Ms. Westman, have you ever seen these  
9 documents before?

10 A. I don't specifically recall if I have  
11 seen this.

12 Q. Looking at the document, do you see  
13 that the Bill of Sale and Transfer Agreement  
14 states that, "The seller, GMAC Mortgage, in  
15 consideration of \$171,323,565.91 does hereby  
16 absolutely sell, transfer and assign to the  
17 Purchaser, without recourse except as set forth  
18 in this Bill of Sale, all right, title and  
19 interest in and to the Mortgage loans listed on  
20 Exhibit A"?

21 MR. KERR: I'm sorry. I apologize.

22 Where are you reading from? You're reading  
23 from the --

24 MS. MILLER: The very first sentence  
25 of the agreement.

1 B. WESTMAN

2 MR. KERR: I see. Okay. Thank you.

3 Apologize.

4 THE WITNESS: Yes, it says that.

5 BY MS. MILLER:

6 Q. And turning now to the netting, the  
7 letter agreement re netting relating to transfer  
8 mortgage loans, have you ever seen this document  
9 before?

10 A. I don't recall seeing it.

11 Q. Do you see that this document refers  
12 back to the Bill of Sale and Transfer Agreement  
13 that we just looked at?

14 A. Yes.

15 Q. And the netting letter says that, at  
16 the end of the first paragraph, "The purchaser,  
17 pursuant to the Bill of Sale, the purchaser is  
18 obligated to pay the seller \$171-plus million as  
19 the purchase price for the mortgage loans?

20 A. Yes.

21 Q. Then if you look at page 2, can you  
22 read page 2 and tell me what's going on in this  
23 agreement? What's being accomplished by this  
24 netting agreement?

25 MR. KERR: She said she's never seen



1 B. WESTMAN

2 this agreement before, so if you want her to  
3 read the words, she can, but I --

4 MS. MILLER: I believe this was -- I  
5 believe this document was produced as Ms.  
6 Westman as the custodian, but we'll confirm  
7 that.

8 MR. KERR: Okay. That's fine.

9 THE WITNESS: "In order to avoid cash  
10 transfers between themselves and to  
11 discharge their payment obligations in the  
12 amount set forth above, the parties hereto  
13 each agree that the obligations: (A) of the  
14 purchaser to pay the purchase price to the  
15 seller as consideration for the purchase of  
16 the mortgage loans pursuant to the Bill of  
17 Sale; (B) of the seller to pay  
18 \$171,323,565.91 to GMAC-RHC as repayment of  
19 certain intercompany loans, of GMAC-RHC to  
20 pay \$171,323,565.91 to ResCap as repayment  
21 of certain intercompany loans and of ResCap  
22 to pay \$171,323,565.91 to the purchaser as  
23 repayment of certain intercompany loans will  
24 be netted against each other so that the  
25 respective obligations will be discharged

1 B. WESTMAN

2 without a cash payment having been made as  
3 of the date thereof."

4 Do you want me to continue reading?

5 BY MS. MILLER:

6 Q. Sure.

7 A. "As a consequence of the foregoing  
8 netting (W) the seller hereby fully and finally  
9 discharges the purchaser from its obligation to  
10 pay the purchase price as consideration for the  
11 purchaser of the Mortgage loans pursuant to the  
12 Bill of Sale; (X) GMAC-RHC hereby fully and  
13 finally discharges the seller from its  
14 obligation to repay \$171,323,565.91 to GMAC-RHC  
15 under the intercompany loans and subtract such  
16 amount from the total amount due by the seller  
17 to GMAC-RHC under the intercompany loans; (Y)  
18 ResCap hereby fully and finally discharges  
19 GMAC-RHC from its obligation to repay  
20 \$171,323,565.91 to ResCap under the intercompany  
21 loans and subtract such amounts from the total  
22 amount due by GMAC-RHC to ResCap under the  
23 intercompany loans; (Z) the purchaser hereby  
24 fully and finally discharges ResCap from its  
25 obligation to repay \$171,323,565.91 to the

1 B. WESTMAN

2 purchaser under the intercompany loans and  
3 subtract such amounts from the total amount due  
4 by ResCap to the purchaser under the  
5 intercompany loans."

6 Q. In your experience at ResCap, have you  
7 seen other instances where the transfer of real  
8 assets were accomplished by intercompany  
9 receivable -- payables and receivable in lieu of  
10 actual transfer of cash?

11 MR. KERR: Objection.

12 A. I'm not aware of particular  
13 transactions, but yes, that's one of the reasons  
14 that we indicated can create intercompany or  
15 reduce intercompany balances is the transfer of  
16 assets without the exchange of cash.

17 Q. You see a reference in this document  
18 to intercompany loans between the seller GMAC  
19 Mortgage and GMAC-RHC?

20 A. Yes.

21 Q. And do you see a reference to  
22 intercompany loans in -- sorry, between GMAC-RHC  
23 and ResCap?

24 A. Yes.

25 Q. And do you also see a reference to

1 B. WESTMAN

2 intercompany loans between ResCap and  
3 Residential Funding Company, LLC, the purchaser  
4 here?

5 A. Yes.

6 MS. MILLER: I've confirmed that Ms.  
7 Westman was the custodian for these  
8 documents.

9 MR. KERR: Okay.

10 MS. MILLER: A lot of paper goes  
11 across your desk, I understand.

12 I'd like to mark as Westman Exhibit 34  
13 a document Bates-stamped RCUCCJSN30003025  
14 through -- through 3029, and the documents I  
15 handed out, you can just pull off the pages  
16 after the second loose slip sheet.

Plaintiff's  
Objection  
196:12-197:19  
Lack of  
foundation  
(FRE 602,  
901, 903)

17 MR. KERR: I'm sorry, what are you  
18 pulling off?

19 MS. MILLER: Pages after the second  
20 slip sheet are not related to this document.

21 (Westman Exhibit 34, a document  
22 bearing Bates Nos. RCUCCJSN30003025 through  
23 3029, marked for identification, as of this  
24 date.)

25 MR. KERR: So just so we're clear, the

1 B. WESTMAN

2 document that -- the exhibit that has been  
3 marked goes from RCUCCJSN30003025 to 3029,  
4 right?

5 MS. MILLER: Yes. Exactly.

6 MR. KERR: Okay. Thanks.

7 BY MS. MILLER:

8 Q. Ms. Westman, I have marked as Exhibit  
9 34 a document chain that seems to trail over a  
10 number of months from November 30, 2012, through  
11 February 8, 2013 re: "Interco file," and in the  
12 top e-mail in that chain, the most recent one  
13 from February 8, 2013, which is an e-mail from  
14 Jacob Bazella to you and Mark Renzi, with a copy  
15 to Cathy Dondzila, Jake Bazella attaches a  
16 spreadsheet called "IC Relationships Balances  
17 Jan. 2008 through March 2012 to 2/8/13."

18 Do you see that?

19 A. Yes.

20 Q. Can you look at the attachment to the  
21 e-mail? Do you know what's identified, what's  
22 being identified on the first page of the  
23 attachment Bates-stamped 30 -- they're all  
24 Bates-stamped 3029, the first page of that  
25 spreadsheet?

1 B. WESTMAN

2 A. This reflects a section of our  
3 intercompany receivable/payable spreadsheet for  
4 the top six balances. It was providing  
5 information about those balances.

6 Q. And can you tell me, looking at the  
7 second page to the sheet titled "IC  
8 Relationships January 2008 through March 2012,"  
9 can you describe this document to me?

10 A. This document was created to attempt  
11 to research the intercompany -- these  
12 intercompany relationships and the types of  
13 transactions that created the intercompany  
14 receivable/payables.

15 So this is a monthly roll-forward of  
16 our monthly depiction of those balances looking  
17 for fluctuations in the balance to try to a  
18 identify and pinpoint transactions that may have  
19 generated portions of the balance.

20 Q. Looking at this spreadsheet which  
21 records changes in intercompany balances for  
22 each of the top six intercompany relationships  
23 for -- on a monthly basis for the years 2008,  
24 2009, 2010, 2012 and the first quarter -- sorry,  
25 2011 and the first quarter of 2012, is it

1 B. WESTMAN

2 accurate to say that the balances in each  
3 intercompany account changed on a monthly basis  
4 within this period?

5 A. I'm going to take a while to confirm  
6 that every balance changed on a monthly basis on  
7 this spreadsheet for every month.

8 MR. KERR: We're all going to go blind  
9 while you do that, but that's okay.

10 A. I can't really see the numbers to a  
11 hundred percent verify that.

12 Q. Do you have any reason to doubt that  
13 the balances changed every month during that  
14 period?

15 A. I wouldn't know without reviewing  
16 them.

17 Q. You can go ahead and review them.

18 A. Okay.

19 (Document review.)

20 MR. KERR: Atara, we can have her read  
21 this if you want. I have noticed ones where  
22 they haven't changed. Many do change.

23 THE WITNESS: One did change.

24 MR. KERR: Having her sit here and  
25 look at all this stuff in this thing is --

1 B. WESTMAN

2 you can use your time as you wish, but  
3 that -- if you look at the, for example, if  
4 you look at the GMAC Mortgage to Passive  
5 Asset Transaction for the first and second  
6 quarters of 2012. Those are just ones I  
7 found.

8 BY MS. MILLER:

9 Q. Ms. Westman, having reviewed this  
10 document and in particular the schedule, would  
11 you agree that in the vast majority of months,  
12 the balances -- the intercompany balances  
13 changed month over month for the -- in the years  
14 2008 through Q12012?

15 A. For the ones that I have reviewed so  
16 far, yes.

17 Q. And is that consistent with your  
18 understanding of how these intercompany account  
19 balances were changed over time?

20 MR. KERR: Objection.

21 MS. MILLER: That's not a question.

22 Strike it.

23 BY MS. MILLER:

24 Q. Is that consistent with your  
25 understanding of how these intercompany payables



1 B. WESTMAN

2 and receivables were incurred?

3 A. I can't make a general statement about  
4 intercompany payables and receivables. Some of  
5 them may change and some of them did not change.  
6 It depended on whether transactions were  
7 recorded for those particular entities.

8 MS. MILLER: How do you want to deal  
9 with what we previously marked as Westman  
10 Exhibit 6 that we now have --

11 MR. KERR: Should we make it 6A?

12 MS. MILLER: -- a full set?

13 You want to replace 6?

14 MR. KERR: However you want to do it.

15 MS. MILLER: I guess 6A would be good.

16 MR. KERR: You replace it. Whatever  
17 you want to do. I'll do anything you want  
18 to do.

19 MS. MILLER: And we'll have a whole  
20 record discussion, but that's irrelevant.

21 You know what, let's just mark it  
22 where we are.

23 MR. KERR: Sure.

24 MS. MILLER: Okay. I'm going to mark  
25 as Westman Exhibit 35 the complete version

1 B. WESTMAN

2 of the document that we previously marked as  
3 Westman Exhibit 6, which has a Bates range  
4 of RCUCCJSN30016049 through 16164.

5 (Westman Exhibit 35, a document  
6 bearing Bates Nos. RCUCCJSN30016049 through  
7 16164, marked for identification, as of this  
8 date.)

9 BY MS. MILLER:

10 Q. So, as we discussed on the record a  
11 little bit earlier, this document seems to  
12 include two different portions of an e-mail  
13 chain, one that begins on the first page of the  
14 exhibit and one that begins at RCUCCJSN30016101.

15 I'm going to ask you to turn to the  
16 second iteration of this e-mail chain. In the  
17 e-mail on the bottom of page 16102, it's a March  
18 20, 2012 e-mail from you to Jeremy Stern copying  
19 Cathy Dondzila in which you state, "Jeremy,  
20 attached is a listing of the top intercompany  
21 balances and some information about each. As I  
22 noted on the phone, this is still rough. I was  
23 just starting to work on it."

24 A. I'm sorry, which document were you  
25 reading? The front document?

1 B. WESTMAN

2 Q. No, 16102. It's infinitely confusing.

3 If you turn to the very last page of  
4 Exhibit 35, is this the top ten intercompany  
5 listing that you referred to in your e-mail to  
6 Jeremy?

7 MR. KERR: Objection.

8 Q. If you look at the beginning of that  
9 e-mail on page 16101, the e-mail chain attaches  
10 two documents, one titled Top Ten Intercompany  
11 Relationships -- actually, three documents. One  
12 titled Top Ten Intercompany Relationships.xls,  
13 and one titled GMAC ResCap Note Issuance  
14 Facility Deed, and the third one "Note  
15 Certificate, 12/19/11.pdf."

16 Looking at the last page of Westman  
17 Exhibit 35, are you familiar with this document?

18 A. Yes.

19 Q. Can you tell me what it is?

20 A. It's a list of top ten intercompany  
21 balances and some information about the  
22 balances.

23 Q. Is this a list that you prepared?

24 A. To my knowledge, I did not prepare  
25 this list.

1 B. WESTMAN

2 Q. Did you provide the information that's  
3 contained in this list?

4 A. I may have provided some of the  
5 information that's contained in the list.

6 Q. Are you familiar with the information  
7 contained in this list?

8 A. I've seen the document.

9 Q. Looking at the second entry for ResCap  
10 and Residential Funding Co., do you know what  
11 kind of transactions generated the intercompany  
12 balance between ResCap and Res Funding Co.?

13 A. I can't specifically say for any  
14 particular intercompany balance exactly what  
15 generated them because they're made up of  
16 thousands of different transactions.

17 Q. Do you know generally what kind of  
18 transactions?

19 A. So, generally, this is one of the  
20 relationships we have indicated that RFC was  
21 generating cash and pushing that up to ResCap  
22 through the cash management process. It's one  
23 of the ways that parts of this balance could be  
24 created.

25 Q. Okay. And looking at the intercompany

1 B. WESTMAN

2 balance between Res Funding Co. and Homecomings  
3 Financial, do you know what type of transactions  
4 resulted in this intercompany balance?

5 A. The information provided in here was  
6 the best estimated reason why that balance was  
7 created. So, again, this was created -- this  
8 information was provided through conversations  
9 and looking at transactions to determine  
10 possible reasons, and so this was one of the  
11 reasons.

12 It was one of the activities that the  
13 two entities had with each other and could have  
14 created that balance.

15 Q. And what was that activity?

16 A. It indicates that loans were sold from  
17 Homecoming to its parent RFC and no cash was  
18 exchanged and an intercompany was recorded.

19 Q. So if I understand that, that's an  
20 exchange of assets for -- in exchange for an  
21 intercompany receivable?

22 A. Correct. That would be one example of  
23 an activity with those entities.

24 Q. And looking now at the intercompany  
25 between GMAC Mortgage and Passive Asset

Plaintiff's  
Objection  
205:24-206:10  
Incomplete (FRE  
106)

1 B. WESTMAN

2 Transaction, do you know what type of activities  
3 resulted in this -- in this intercompany  
4 balance?

5 A. Passive Asset Transactions was a  
6 holder of international notes and it would  
7 receive cash as a holder of those international  
8 notes in receipt of that cash through the cash  
9 management process, it would have pushed that  
10 cash up to its parent, GMAC Mortgage.

11 And so, again, that's an example of a  
12 relationship that we are aware of between those  
13 entities and a way that cash would be generated.  
14 It's not connected to any particular transaction  
15 or balance but a type of activity that would  
16 have occurred.

17 Q. And what about for GMAC Mortgage  
18 Servicer Advance and GMAC Mortgage?

19 A. GMAC Mortgage Servicer Advance, GMAC  
20 Mortgage Service -- excuse me, GMAC Mortgage  
21 Servicer Advance is not a ResCap owned legal  
22 entity, so this is a GAAP transaction to record  
23 GAAP accounting that's required between those  
24 entities because of the consolidation of that  
25 entity. And that GAAP recording of those

1 B. WESTMAN

2 balances creates an -- can create intercompany  
3 transactions.

4 Q. Looking down to transaction 7 or  
5 intercompany relationship 7, "Balance Between  
6 GMAC Mortgage and Executive Trustee Services,"  
7 what type of activities resulted in that  
8 intercompany balance?

9 A. Generally, this is indicating that --  
10 these are the types of activities that ETS  
11 performed in its normal operations, and those  
12 operations generated cash and that cash would  
13 have been swept through the intercompany process  
14 through the cash management process.

15 Q. And what about for the intercompany  
16 balance between RFC Asset Holdings II and  
17 Residential Funding Co.?

18 A. This indicates that this was used for  
19 accounts payable, taxes payable and interest  
20 expense, but we weren't able to find much other  
21 documentation of the types of transactions that  
22 went through those particular entities.

23 Q. Did you conduct further research into  
24 what types of activities would generate that  
25 intercompany balance?

1 B. WESTMAN

2 A. We researched as much as we could as  
3 much information as we could identify.

4 MS. MILLER: I'd like to mark as  
5 Westman Exhibit 36 a document Bates-stamped  
6 RC40000118 through 137.

7 (Westman Exhibit 36, a document  
8 bearing Bates Nos. RC40000118 through 137,  
9 marked for identification, as of this date.)

10 BY MS. MILLER:

11 Q. Ms. Westman, I have marked at Exhibit  
12 36 a document titled "Ally Accounting Policy  
13 1040 Intercompany Accounting," effective date  
14 January 1, 2011. Do you see that?

15 A. Yes.

16 Q. Are you familiar with this document?

17 A. Yes.

18 Q. What is this document?

19 A. It's one of Ally's accounting policies  
20 that talks about intercompany accounting and how  
21 that should be reflected within the financial  
22 statements.

23 Q. And did this accounting policy govern  
24 accounting within ResCap entities as well?

25 A. Yes.



1 B. WESTMAN

2 Q. And looking at the bottom of page 122,  
3 the page with the ending Bates 122, under  
4 Intercompany Reporting and Reconciliations, does  
5 it state that, "Intercompany transactions should  
6 be booked to proper intercompany accounts, for  
7 both balance sheet and income statement  
8 accounts, to ensure efficiencies and  
9 consolidation and proper elimination of  
10 intercompany transactions"?

11 A. Yes, it states that.

12 Q. And did the same proposition that  
13 intercompany transactions should be booked to  
14 proper intercompany accounts hold true within  
15 ResCap?

16 A. Yes, certain intercompanies were  
17 booked through intercompany accounts. As we  
18 discussed earlier today, certain balances may  
19 not have been within specified intercompany  
20 accounts.

21 Q. What kind of balances would not have  
22 been within specified intercompany accounts?

23 A. Gain and loss between two ResCap  
24 entities or service fee income, service fee  
25 expense, may not -- those portions of the

1 B. WESTMAN

2 transaction would not have been in an  
3 intercompany account but were maintained in  
4 another way to ensure that they were eliminated  
5 upon consolidation.

6 Q. Would you expect to see those in the  
7 P&L statements for the individual entities?

8 A. Those accounts would be. Those  
9 transactions would be within their income  
10 statements, yes.

11 Q. But the piece of the transaction that  
12 doesn't relate specifically to the gain or loss  
13 would be booked through the intercompany --  
14 would be recorded in the intercompany accounts;  
15 is that correct?

16 A. If the intercompany transaction  
17 created intercompany receivables or payables, it  
18 would have been booked within intercompany  
19 accounts.

20 Q. Looking at page -- the page ending  
21 with the Bates 123, under Intercompany  
22 Transactions, it states that, "Prior to  
23 implementation, significant intercompany  
24 transactions should be reviewed and approved by  
25 business unit management and the tax department.

1 B. WESTMAN

2 These intercompany transactions should also be  
3 formally documented."

4 Did that happen within ResCap?

5 A. ResCap had a program to review  
6 significant transactions or significant changes  
7 and document those, and so items of this nature  
8 could be involved in that change management  
9 process or that change management review.

10 This would be for new transactions, so  
11 that wouldn't apply necessarily on an ongoing  
12 activity posted under a transaction, but if  
13 there was a new relationship or a new type of  
14 transaction between the entities, that would be  
15 covered by the change management program.

16 Q. So would you consider fluctuations in  
17 intercompany balances based on the cash  
18 management process and the movement of cash to  
19 fall within this policy?

20 MR. KERR: This specific paragraph of  
21 the policy?

22 Q. The specific paragraph of the policy?

23 A. No, I would not. Those would be  
24 ongoing -- the change management process would  
25 be to review something that was a new or a

1 B. WESTMAN

2 significant item, and once an operational  
3 process was established around that, additional  
4 activity within, that would not be considered a  
5 significant event.

6 Q. And so it's your understanding that no  
7 formal documentation would be required for  
8 additional activity?

9 MR. KERR: Objection.

10 A. I would not interpret this paragraph  
11 as indicating we had some obligation under this  
12 policy to document ongoing cash management  
13 transactions.

14 Q. And looking at the document -- sorry,  
15 looking at the page ending 125, under Debt  
16 Transactions, is it also your understanding  
17 that -- well, the second paragraph under Debt  
18 Transactions state that, "Intercompany loans  
19 between LoBs should not be funded until signed  
20 note or loan agreement has been finalized."

21 Is it your understanding that  
22 additional activity under existing intercompany  
23 relationships are also not subject to that  
24 requirement under this policy?

25 A. This requirement is for intercompany

1 B. WESTMAN

2 transactions between lines of business. All of  
3 ResCap was defined as one line of business, so  
4 this would have been applicable if ResCap was  
5 having dealings with other Ally entities.

6 Q. And so it didn't matter if you were on  
7 the RFC or the GMAC side of the house; you were  
8 all one line of business?

9 A. Correct. Mortgage operations was one  
10 line of business.

11 Q. And looking at page 128 under  
12 Dividends, there's a description, a specific  
13 description of how dividends paid from a  
14 subsidiary to a payment company should be  
15 accounted for and eliminated in consolidation --  
16 sorry, recorded and eliminated in consolidation.

17 Is that how subsidiaries -- dividends  
18 paid from a subsidiary within the ResCap group  
19 was accounted?

20 A. I'm not familiar with specific  
21 transactions where dividends would have  
22 occurred, but that would meet my general  
23 understanding of how it would occur.

24 MS. MILLER: I would like to mark as  
25 Westman 37 a document Bates-stamped

1 B. WESTMAN

2 RCJSN10131858 through 878.

3 (Westman Exhibit 37, a document  
4 bearing Bates Nos. RCJSN10131858 through  
5 878, marked for identification, as of this  
6 date.)

7 BY MS. MILLER:

8 Q. Ms. Westman, looking at Exhibit 36 at  
9 the very top, it says "Next Review Date:  
10 December 1, 2012," and if you look at Westman  
11 Exhibit 37 --

12 A. I'm sorry, I'm not --

13 MR. KERR: I think she's referring to  
14 Exhibit 36.

15 Q. I'm sorry, looking back at Exhibit 36,  
16 it says, "Next Review Date: December 1, 2012,"  
17 and then Westman 37 has an effective date of  
18 November 28, 2011 and a last review date of  
19 November 17, 2011.

20 Do you know if Exhibit 37 is an  
21 updated version of the same policy in Exhibit  
22 36?

23 A. To my knowledge, they're two separate  
24 policies.

25 Q. And Exhibit 37 is titled "Ally General

1 B. WESTMAN

2 Intercompany Accounting Policy." What did --  
3 what does Exhibit 37 govern?

4 A. This is a policy regarding  
5 intercompany transactions and guidance that  
6 should be followed when performing those  
7 transactions.

8 Q. And is it your understanding that  
9 intercompany transactions that are governed by  
10 this agreement include additional activity  
11 within existing intercompany relationships?

12 A. This would cover those intercompany  
13 relationships. I don't know whether it covers  
14 particular transactions, but it would cover the  
15 intercompany relationships.

16 Q. Was this intended to address  
17 intra-ResCap intercompanies?

Plaintiff's Objection  
215:16-22: lack of  
personal knowledge  
(FRE 802), hearsay  
(FRE 802)

18 MR. KERR: Objection.

19 Q. Sorry. Let me restate it. Does this  
20 policy relate to intra-ResCap intercompany?

21 A. Yes, I would interpret this as  
22 applying to those balances.

23 Q. Looking under Intercompany  
24 Responsibilities on page 10131872, which of  
25 these functions were to be performed by ResCap

1 B. WESTMAN

2 employees as distinct from Ally employees?

3 A. So Ally would have performed A,  
4 Corporate Controller. Ally would have performed  
5 B, Enterprise Global Intercompany Process Owner.  
6 C would have been applicable to ResCap as a  
7 business unit.

8 Q. Who specifically at ResCap would have  
9 been responsible for complying with this portion  
10 of the policy?

11 A. Of this policy, Cathy Dondzila.

12 Q. Do you know whether she was the  
13 designated intercompany process owner for  
14 ResCap?

15 A. I do not know who was the designated  
16 process owner. So D would have been applicable  
17 to ResCap.

18 Q. Just going back to C for a minute, did  
19 you ever provide information during this period  
20 to Cathy Dondzila regarding whether business  
21 units -- whether ResCap was recording  
22 intercompany transactions on a timely, accurate  
23 and consistent basis?

24 A. I don't recall providing specific  
25 information. That would have been part of our



1 B. WESTMAN

2 normal month-end close process that intercompany  
3 transactions were recorded in the normal course  
4 of business.

5 Q. And that's something that you were  
6 responsible for; is that right?

7 A. I was partially responsible along with  
8 others for that.

9 MS. MILLER: It's 5:45. I'm happy to  
10 keep going. I have one topic left and  
11 then --

12 MR. KERR: How much longer do you  
13 think you'll be on that topic?

14 MS. MILLER: Maybe half an hour.

15 MR. KERR: Let's take a break. Take a  
16 break, okay?

17 THE VIDEOGRAPHER: The time is 5:52.  
18 This is the end of tape labeled number 5.  
19 We're going off the record.

20 (Recess.)

21 THE VIDEOGRAPHER: This is the start  
22 of tape labeled number 6. The time is 6:07.  
23 We're back on the record.

24 MS. MILLER: I'd like to mark as  
25 Westman Exhibit 38 a document Bates-stamped

1 B. WESTMAN

2 RCUCCJSN20080786 through 80790.

3 (Westman Exhibit 38, a document  
4 bearing Bates Nos. RCUCCJSN20080786 through  
5 80790, marked for identification, as of this  
6 date.)

7 BY MS. MILLER:

8 Q. Ms. Westman, I have marked as Exhibit  
9 38 an e-mail chain, the top e-mail -- the top  
10 e-mail of which is an e-mail from Cathy Dondzila  
11 to Mark Renzi and yourself dated April 22, 2012  
12 regarding balance intercompany follow-up and  
13 attaching a spreadsheet titled Intercompany  
14 Questions Version 2, do you see that?

15 A. Yes.

16 Q. Can you describe for me how ResCap  
17 determined whether to forgive intercompany  
18 balances?

19 A. From the time period that I was  
20 involved, intercompany balances were forgiven  
21 generally to meet certain obligations for the  
22 particular entities. That might be to meet net  
23 worth requirements, and with certain  
24 international notes there were rights to do debt  
25 forgiveness included within those documents.

1 B. WESTMAN

2 Q. When you say to meet net -- certain --  
3 sorry. When you say to meet certain obligations  
4 for the particular entities, including net worth  
5 requirements, are those the net worth  
6 requirements that we discussed earlier, both  
7 regulatory and under certain borrowing  
8 facilities?

9 A. Correct.

10 Q. And how was a debt -- the forgiveness  
11 of debt effectuated?

12 A. Generally, it would be determined that  
13 a particular debt was a balance that we would  
14 look to forgive to solve a certain net worth  
15 issue, et cetera. That balance would be  
16 identified and documentation would be put  
17 together in a request form.

18 That would -- that request would go  
19 through Cathy, generally, and would be provided  
20 to the CFO or on up to board of directors or  
21 Executive Committee, depending on where it --  
22 where it needed to go for the particular balance  
23 and dollar amount, and it would be presented for  
24 recommendation and approval.

25 Q. Were debts ever forgiven without

1 B. WESTMAN

2 receiving CFO and/or board approval or Executive  
3 Committee approval?

4 A. To my knowledge, all debt forgiveness  
5 received the appropriate approvals as required  
6 by the particular transaction.

7 Q. And how were debt -- how is debt  
8 forgiveness recorded in the -- in ResCap's books  
9 and records?

10 A. The intercompany receivable/payable  
11 balances that were being forgiven would be  
12 reversed and the transaction would be recorded  
13 through equity through, depending on the  
14 direction of the balance, as an additional paid  
15 in capital transaction, either additional  
16 capital or reversal of capital.

17 Q. What do you mean when you say that the  
18 intercompany receivable or payable was -- that  
19 was being forgiven would be reversed?

20 A. If there was an intercompany  
21 receivable/payable between two entities and the  
22 receiving entity was going to forgive that  
23 balance, then on the particular entity with the  
24 receivable, that receivable would be credited  
25 and there would be a debit on that entity in

1 B. WESTMAN

2 equity and then the reverse transaction on the  
3 entity with the payable.

4 Q. Could the debt forgiveness have been  
5 effectuated through a write-down of the  
6 receivable?

7 A. That would be a write-down of a  
8 receivable, as I just explained.

9 Q. I'm sorry, could the debt forgiveness  
10 have been effectuated through a write-down of  
11 the receivable without a corresponding entry in  
12 the equity balance?

13 A. The only instance that I'm aware of  
14 where debt forgiveness was not performed through  
15 equity was again in regard to certain  
16 international notes, where the receiving entity  
17 was within the GMAC Mortgage structure and the  
18 paying entity was within the ResCap structure,  
19 so they were not considered parent and  
20 subsidiary, they were considered more sister  
21 organizations, and in that case, the accounting  
22 guidance was that that could be effectuated  
23 through the income statement and so there would  
24 have been an income statement impact for the  
25 reversal of the intercompany balance.

1 B. WESTMAN

2 Q. Do you know if there was -- if the  
3 there would have been a different tax  
4 consequence for forgiving the -- for  
5 effectuating the debt forgiveness, not for the  
6 equity account?

7 A. I'm not aware of the tax -- I wasn't a  
8 tax -- in the Tax Department. I'm not aware of  
9 how Tax treated the balances.

10 Q. In the process of collecting  
11 information and documents related to the  
12 intercompany balances, did you also collect  
13 information and documents related to debt  
14 forgiveness?

15 A. I did.

16 Q. And did you attempt to link the -- or,  
17 did you schedule -- sorry. Strike that. Did  
18 you schedule the debt forgiveness within the  
19 ResCap entities?

20 A. Could you rephrase the question? I'm  
21 not sure what you're referring to?

22 Q. Did you prepare a schedule of debt  
23 forgivenesses from 2008 forward within the  
24 ResCap entities?

25 A. I didn't personally create the

1 B. WESTMAN

2 schedule, but yes, a schedule was created.

3 Q. And were efforts -- strike that.

4 Did you confirm that there were  
5 appropriate approvals for each debt forgiveness  
6 on that schedule?

7 A. We gathered all the debt forgiveness  
8 documents, so I gathered documents that I had in  
9 my team's possession and I believe Legal also  
10 provided additional documents so that, to my  
11 knowledge, documentation was obtained on all of  
12 the transactions.

13 MS. MILLER: I'm going to mark as  
14 Westman Exhibit 39 a document Bates-stamped  
15 RCUCCJSN00030215 through 3 -- it's all  
16 30215. It's a native document, a document  
17 that was produced in native form.

18 (Westman Exhibit 39, a document  
19 bearing Bates Nos. RCUCCJSN00030215, marked  
20 for identification, as of this date.)

21 BY MS. MILLER:

22 Q. This is an example of a debt  
23 forgiveness schedule that was prepared in  
24 connection with your review of intercompany  
25 transactions and debt forgiveness?

1 B. WESTMAN

2 MR. KERR: You are testing our eyes.

3 MS. MILLER: I promise I won't make  
4 her read it.

5 THE WITNESS: Yes, this is a version  
6 of the schedule.

7 BY MS. MILLER:

8 Q. Do you know how frequently cash -- do  
9 you know how frequently transactions that ran  
10 through -- that resulted from the cash  
11 management process were recorded in the general  
12 ledger?

13 A. Daily.

14 Q. And who aggregated the transactions  
15 that occurred during the day?

16 MR. KERR: Objection.

17 A. The general ledger.

18 Q. Were all transactions that occurred  
19 during that day -- sorry. Did all transactions  
20 that occurred through the cash management  
21 process happen at the same time in a given day?

22 A. I don't know what time of day they  
23 occurred.

24 Q. Is it possible that there were two  
25 transactions that occurred at different times?



1 B. WESTMAN

2 A. Yes.

3 Q. From the same entity?

4 A. Yes, it's possible if there were two  
5 different wire transactions or two transactions  
6 that occurred.

7 Q. And would those be reflected in the  
8 general ledger as two different transactions or  
9 would they be aggregated on a daily basis and  
10 input in the general ledger?

11 A. Every journal entry transaction or  
12 wire transfer would be entered in the general  
13 ledger. It depends on how the transaction was  
14 fed to the ledger. If the transaction was fed  
15 through certain systems, I still believe each  
16 individual transaction would be recorded, but  
17 from those system feeds I'm not a hundred  
18 percent aware of how the system feed recorded  
19 those transactions.

20 Q. Was there any other system that  
21 tracked cash management process generated  
22 transactions?

23 A. There were other systems involved in  
24 Treasuries. There was a Quantum system where  
25 certain transactions or wire transfers were

1 B. WESTMAN

2 performed through the Quantum system.

3 Q. Any other systems?

4 A. That's the main system that I'm aware  
5 of. There may be others from a Treasury  
6 perspective.

7 Q. What is the Quantum system?

8 A. The Quantum system was a system used  
9 by Treasury to perform certain transactions. So  
10 wire transfers could be effected through that  
11 system. They could also set up certain  
12 instruments in that system. For instance, the  
13 Ally revolver may be set up as an instrument  
14 within that system.

15 Q. And would Quantum then feed  
16 information to the general ledger?

17 A. Yes. Quantum produced its own trial  
18 balance and that would be uploaded to the  
19 general ledger.

20 Q. And how frequently was the Quantum  
21 trial balance uploaded to the general ledger?

22 A. I'm not aware of the cycle for  
23 uploading Quantum to the general ledger.

24 Q. Who at ResCap is the most  
25 knowledgeable person about the Quantum system?

1 B. WESTMAN

2 A. Currently, I -- I would say Paul  
3 Grande as the treasurer.

4 Q. Is there a central distributing agent  
5 within the cash management process?

6 A. I'm not sure what you mean by that.

7 Q. I mean was there a centralized account  
8 from which most disbursements on behalf of  
9 ResCap family entities were made?

Plaintiff's  
Objection  
227:7-23  
Incomplete  
(FRE 106)

10 A. Each entity may have an operating  
11 account, so GMAC Mortgage had an operating  
12 account and RFC had an operating account, and so  
13 in general, ordinary-course transactions might  
14 go through those operating accounts.

15 Q. And was cash aggregated at the ResCap  
16 level?

17 A. Yes. Generally, cash would be  
18 aggregated up to ResCap for payment to Ally  
19 under the line of credit or to ResCap to push  
20 back down to one of its other subsidiaries, so  
21 not all cash. If one of the operating entities  
22 needed cash, they may aggregate cash from their  
23 subsidiaries and use it.

24 Q. Who determined whether cash flowed up  
25 to ResCap or not or was held at the subsidiary

1 B. WESTMAN

2 level?

3 A. Treasury.

4 MS. MILLER: That's all that I have.

5 Thank you.

6 THE WITNESS: Okay. Thank you.

7 MR. KERR: You all done?

8 MS. MILLER: I'm done.

9 MR. KERR: I just have a couple quick  
10 questions.

11 EXAMINATION BY

12 MR. KERR:

13 Q. Can you pull out Exhibit 35.

14 MS. MILLER: Give me a minute. Mine  
15 are on the floor.

16 MR. KERR: Sure. It's this  
17 (indicating).

18 BY MR. KERR:

19 Q. If you could turn, Ms. Westman, to  
20 Bates page 16101.

21 MR. SILVERSCHOTZ: Which exhibit are  
22 you on?

23 MR. KERR: 35.

24 Q. Okay. And that is -- that was an  
25 e-mail that Ms. Miller asked you questions

1 B. WESTMAN

2 about, do you recall that?

3 A. Yes.

4 Q. And there is a reference to attachment  
5 of Top Ten Intercompany Relationships.xls. Do  
6 you see that?

7 A. Yes.

8 Q. Okay. If you would turn to the first  
9 attachment after this e-mail, which is -- at the  
10 top of the page says "Document Produced  
11 Natively" and that is 16106?

12 A. Yes.

13 Q. And right after that is a spreadsheet.  
14 Do you know what that is?

15 A. Yes, that's an excerpt from our  
16 intercompany spreadsheet that we maintained --

17 Q. Okay.

18 A. -- within my team.

19 Q. And if you turn to the last page of  
20 this exhibit, which Ms. Miller asked you some  
21 questions about?

22 A. Yes.

23 Q. Is this a document that you prepared?

24 A. No.

25 Q. Is it a document that ResCap prepared?

1 B. WESTMAN

2 A. Not to my knowledge.

3 Q. Okay.

4 MR. KERR: No further questions.

5 Anybody else?

6 (No response.)

7 MR. KERR: You're done? Thank you.

8 MS. MILLER: Thank you.

9 THE VIDEOGRAPHER: The time is 6:28.

10 That's the end of today's deposition. We'll  
11 be going off the record.

12 oOo

13  
14  
15  
16  
17  
18 \_\_\_\_\_  
BARBARA WESTMAN

19  
20 Subscribed and sworn to  
before me this day  
21 of 2013.  
22  
23 \_\_\_\_\_  
24  
25

1 B. WESTMAN

2  
3 CERTIFICATE

4 STATE OF NEW YORK )

: ss

5 COUNTY OF NEW YORK)

6 I, Kathy S. Klepfer, a Registered  
7 Merit Reporter and Notary Public within and  
8 for the State of New York, do hereby  
9 certify:

10 That BARBARA WESTMAN, the witness  
11 whose deposition is herein before set forth,  
12 was duly sworn by me and that such  
13 deposition is a true record of the testimony  
14 given by such witness.

15 I further certify that I am not  
16 related to any of the parties to this action  
17 by blood or marriage and that I am in no way  
18 interested in the outcome of this matter.

19 In witness whereof, I have hereunto  
20 set my hand this 16th day of October, 2015.

21  
22 -----  
23 KATHY S. KLEPFER, RPR, RMR, CRR, CLR  
24  
25

1 B. WESTMAN

2 INDEX

3 TESTIMONY OF B. WESTMAN: PAGE

4 Examination by Ms. Miller 5

5 Examination by Mr. Kerr 228

6  
7 WESTMAN EXHIBITS: PAGE

8 Exhibit 1, Ad Hoc Group of Junior Secured 11

9 Noteholders 30(b)(6) Notice of Deposition

10 Exhibit 2, a document with attachments bearing 35

11 Bates Nos. RCJSN10041452 through 1455

12 Exhibit 3, a document bearing Bates Nos. 52

13 RCJSN10041500 through 502

14 Exhibit 4, a document, with attachments, 70

15 bearing Bates No. RCJSN10037951

16 Exhibit 5, a document bearing Bates Nos. 80

17 RCJSN00003340

18 Exhibit 6, a document, with attachment, 92

19 bearing Bates Nos. RCUCCJSN30016049

20 Exhibit 7, an e-mail with attachments, 97

21 bearing Bates Nos. RCUCCJSN20064737 through 4801

22 Exhibit 8, a document bearing Bates Nos. 104

23 EXAM122636518 through 521



1 B. WESTMAN

2 INDEX (Cont'd.)

3	WESTMAN EXHIBITS:	PAGE
4	Exhibit 9, Schedule of Assets and Liabilities	110
5	for RFC Asset Holdings II, LLC, filed in the	
6	bankruptcy proceedings of Residential	
7	Capital, LLC, et al., Docket No. 586	
8	Exhibit 10, Amended Schedules of Assets and	114
9	Liabilities for Residential Capital, LLC	
10	dated July 3, 2012	
11	Exhibit 11, Amended Schedules of Assets and	116
12	Liabilities for Residential Funding Company,	
13	LLC filed on July 3, 2012	
14	Exhibit 12, Amended Schedules of Assets and	118
15	Liabilities for GMAC Mortgage, LLC filed on	
16	July 3, 2012, at Docket No. 685	
17	Exhibit 13, Amended Schedules of Assets and	121
18	Liabilities for GMAC Residential Holding	
19	Company, LLC filed on July 3, 2012	
20	Exhibit 14, an e-mail chain dated July 31, 2012,	123
21	bearing Bates Nos. Bates Nos. RCJSN10028118	
22	through 28123	
23	Exhibit 15, a document bearing Bates Nos.	126
24	UCC12846 through UCC12852	

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Exhibit 18, a document bearing Bates Nos. EXAM0034894 through 905	135
Exhibit 19, a document bearing Bates Nos. EXAM00107037 through 41	141
Exhibit 20, a document bearing Bates Nos. EXAM001030 through 35	143
Exhibit 21, a document bearing Bates Nos. EXAM00107022 through 29	145
Exhibit 22, a document bearing Bates Nos. EXAM00107300 through 307	148
Exhibit 23, a document bearing Bates Nos. EXAM12263381 through 406	149
Exhibit 24, a document bearing Bates Nos. RCJSN10034044 through 050	153
Exhibit 25, a document bearing Bates Nos. RCUCCJSN10895541 through 5550	155

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Exhibit 27, a document bearing Bates Nos. EXAM00123277 through 336	174
Exhibit 28, a document bearing Bates Nos. EXAM00234281 through 4349	176
Exhibit 29, a document bearing Bates Nos. EXAM00125358 through 416	178
Exhibit 30, a document bearing Bates Nos. RCUCCJSN30014296 through 299	179
Exhibit 31, a document bearing Bates Nos. RCJSN10015251 through 15268	182
Exhibit 32, a document bearing Bates Nos. EXAM12412896 through 897	186
Exhibit 33, a document bearing Bates Nos. RCJSN10074531 through 536	190
Exhibit 34, a document bearing Bates Nos. RCUCCJSN30003025 through 3029	196
Exhibit 35, a document bearing Bates Nos. RCUCCJSN30016049 through 16164	202
Exhibit 36, a document bearing Bates Nos. RC40000118 through 137	208

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2 INDEX (Cont'd.)

3 WESTMAN EXHIBITS:	PAGE
4 Exhibit 37, a document bearing Bates Nos.	214
5 RCJSN10131858 through 878	
6 Exhibit 38, a document bearing Bates Nos.	218
7 RCUCCJSN20080786 through 80790	
8 Exhibit 39, a document bearing Bates Nos.	223
9 RCUCCJSN00030215	

10  
11 REQUESTS FOR PRODUCTION:

12 Page 74, Line 17

13 Page 85, Line 7

1 B. WESTMAN

2 NAME OF CASE: In Re Residential Capital LLC

3 DATE OF DEPOSITION: October 15, 2013

4 NAME OF WITNESS: Barbara Westman

5 Reason Codes:

6 1. To clarify the record.

2. To conform to the facts.

7 3. To correct transcription errors.

8 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

9 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

10 From \_\_\_\_\_ to \_\_\_\_\_

11 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

12 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

13 From \_\_\_\_\_ to \_\_\_\_\_

14 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

15 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

16 From \_\_\_\_\_ to \_\_\_\_\_

17 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

18 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

19 From \_\_\_\_\_ to \_\_\_\_\_

20 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

21 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

22 From \_\_\_\_\_ to \_\_\_\_\_

23 Page \_\_\_\_\_ Line \_\_\_\_\_ Reason \_\_\_\_\_

From \_\_\_\_\_ to \_\_\_\_\_

24 \_\_\_\_\_  
25 BARBARA WESTMAN



Adam J. Hunt  
Morrison & Foerster LLP  
1290 Avenue of the Americas  
New York, NY 10104

Adam,

Attached is my signed and notarized deposition and errata sheet.

Thank you.

A handwritten signature in black ink that reads "Barb".

**Barb Westman**  
RES CAP  
Senior Director / Controller  
952-857-7789  
[barbara.westman@gmacrescap.com](mailto:barbara.westman@gmacrescap.com)

1 B. WESTMAN

2 A. Not to my knowledge.

3 Q. Okay.

4 MR. KERR: No further questions.

5 Anybody else?

6 (No response.)

7 MR. KERR: You're done? Thank you.

8 MS. MILLER: Thank you.

9 THE VIDEOGRAPHER: The time is 6:28.

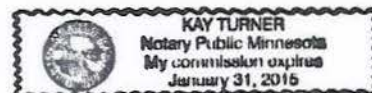
10 That's the end of today's deposition. We'll  
11 be going off the record.

12 oOo

13  
14  
15  
16  
17  
18 Barbara Westman

BARBARA WESTMAN

19  
20 Subscribed and sworn to  
21 before me this 7<sup>th</sup> day  
22 of November 2013.



23 Kay Turner  
24  
25

**Deposition Errata Sheet**

***In re Residential Capital, LLC, et al.,***  
**Case No. 12-12020(MG)**

Deponent: Barbara Westman  
Deposition Date: October 15, 2013

Citation	Testimony
8:14-19	However, if there is an issue of privilege that comes up <del>that</del> <u>and</u> you're not able to respond to the question without knowing whether or not you might be stepping into privilege areas, for that I think you should let Atara know and then we can discuss it at that time.
15:10	And HIA, Health Insurance Associate;
17:2-4	I moved to Minnesota and joined an organization <u>called</u> North American Life and Casualty, which later changed its name to Allianz Life.
17:8	I held several <u>positions</u> .
17:20-25	For a time period I worked within the Claims Department and <del>Managed Claims</del> <u>managed claims</u> . I managed financial claims audits. I don't recall other specifics while a manager. Q. And did you have any other positions at North <del>America</del> <u>American</u> Life and Casualty?
18:2-22	Yes. I also held several <del>comptroller</del> <u>controller</u> and/or CFO positions for several divisions of the organization. Q. And did you hold those <del>comptroller</del> <u>controller</u> and CFO positions contemporaneous with your financial manager positions? A. No, those were promotions. Q. Okay. And so how long -- when did you move into a <del>comptroller</del> <u>controller</u> position? A. I don't recall the date. Q. Do you remember approximately what year? A. I don't. Q. Do you recall how long you were in <del>comptroller</del> <u>controller</u> or CFO positions? A. Ten to fifteen years. Q. And how long were you at North <del>America</del> <u>American</u> Life in total? 2. Twenty years. Q. And what were your responsibilities as <del>comptroller</del> <u>controller</u> ?
19:9	Financial, <del>financial</del> consulting for businesses.
21:7	Ally, as part of the revolver facility.



Citation	Testimony
23:25-24:8	I was responsible for financial controls, which included continuing with the Ally revolver and Ally line of credit funding facility; reporting process; <del>I</del> <u>I</u> was also responsible for Sarbanes-Oxley or SO <del>x</del> <u>SOX</u> work for ResCap, and <del>also managed the</del> <u>I was</u> responsible for the general ledger functions within ResCap and a change management function.
25:-18-24	The team that managed month-end process reported to me, so <u>my responsibilities were</u> ensuring <del>that the month-end</del> that transactions were entered, that the month-end was properly closed and consolidated, and that we produced monthly trial balances and financial statements in a timely manner.
27:14-16	Again, if one entity sold assets to another entity, <del>that</del> the purchasing entity would record that asset.
28:10-13	I'm currently a senior director. I am also currently the <del>comptroller</del> <u>controller</u> . Q. And when did you become the <del>comptroller</del> <u>controller</u> ?
30:6-8	Are you asking for her to explain your understanding of <del>it or</del> <u>an intercompany transaction</u> – she's been using "intercompany balances."
30:19-21	That had to be forecasted on a daily basis to make <del>ensure</del> <u>sure</u> that we met the requirements of that agreement.
41:24-42:6	I don't know the specific process, but there was a forecasting process and <del>each</del> —the Treasury Department managed those cash balances so <u>it</u> would know what cash was available and could calculate — <del>calculate</del> that cash and determine what was required to be repaid or what borrowing might need to occur to meet the cash needs.
47:5-11	The policy generally discussed that transactions would be settled on a regular basis, and we determined that due to the functions of the cash management process, <del>that that</del> <u>the policy</u> would meet the requirement; <u>and</u> did not need to be fully cash-settled, which would be counterintuitive to the cash management process.
60:25 – 61:7	Because I was involved in other functions or other processes within the line of credit so had a general knowledge of the agreement and the processes within the organization, and also, due to work on Sarbanes-Oxley, may have been aware of various <del>process</del> <u>processes</u> .
71:22-23	I know <del>the</del> <u>that</u> spreadsheets were sent. I don't recall how many versions were sent.
75:21-25	I wouldn't necessarily – I can't necessarily state if they called it an exception or an exception approval, but they did approve that that was <u>a</u> valid intercompany process and met the requirements for us to certify the balances.

Citation	Testimony
101:19-102:2	This was as part of research attempting to document the reasons behind certain intercompany transactions, and <del>these particular transactions</del> I had requested that Janel determine whether she was familiar with these <u>particular transactions</u> , if <del>as</del> she had recently worked on a project that might have made her familiar with these particular balances.
102:23-24	I <u>don't</u> believe so. I believe it's referring to the servicing advances.
103:4-7	Looking at the document with the Bates range ending in 4744, there's an e-mail from Michaeline Dugan to you dated February 23, 2012 regarding Executive <del>Custody</del> <u>Trustee</u> Services.
109:17-23	MR. KERR: I have had an opportunity over lunch to look at what has been marked as Westman Exhibit 8, and after reviewing it and reviewing the text of the e-mail more carefully, we're not going to assert privilege over this specific e-mail and you are <u>fee-free</u> to question Ms. Westman about it.
121:23-24	They reflected the information from our general ledger to the best of <del>your</del> <u>our</u> knowledge.
164:20	<u>Other than Ditech</u> , not to my knowledge.
165:7-9	And <del>in 2000</del> were GMAC Mortgage's audited consolidated financial statements submitted to HUD in 2009, '10 and '11?
181:20-182:7	However, when we produced that workbook for every individual legal entity, while all those intercompanies <del>eliminating</del> <u>eliminate in</u> consolidation, the question was how would we present them. Those particular intercompanies don't give the relationships, et cetera, and FTI was using other intercompany documents to reflect however they were presenting those intercompany balances, so we were simply asking how they wanted it produced in the schedule so that they could use it appropriately for their purpose.
185:21-24	The conclusion from the inquiry that we had with D&T was that the receivable could remain on the balance sheet of <del>RFC Financial</del> <u>RFC's financials</u> .
187:16-20	I drafted this memo to provide support to D&T as part of the year-end audit of <del>RFC Financial</del> <u>financial</u> statements in response to their question on that intercompany receivable reflected in those financial statements.
193:9-194-3	"In order to avoid cash transfers between themselves and to discharge their payment obligations in the amounts set forth above, the parties hereto each agree that the obligations: (a) of the <u>Purchaser</u> to pay the <u>Purchase Price</u> to the <u>Seller</u> as consideration for the purchase of the mortgage loans pursuant to the Bill of Sale; (b) of the seller to pay \$171,323,565.91 to GMAC-RHC as repayment of certain intercompany loans; (c) of GMAC-RHC to pay \$171,323,565.91 to ResCap as repayment of certain intercompany loans; and (d) of ResCap to pay \$171,323,565.91 to the <u>Purchaser</u> as repayment of certain intercompany loans; will be netted against each other so that the respective obligations will be discharged without a cash payment having been made as of the date thereof."



Citation	Testimony
194:7-195:5	“As a consequence of the foregoing netting: (w) the seller hereby fully and finally discharges the <u>Purchaser</u> from its obligation to pay the <u>Purchase Price</u> as consideration for the purchaser of the <u>mortgage</u> loans pursuant to the Bill of Sale; (x) GMAC-RHC hereby fully and finally discharges the <u>Seller</u> from its obligation to repay \$171,323,565.91 to GMAC-RHC under the intercompany loans (and subtracts such amount from the total amount due by the <u>Seller</u> to GMAC-RHC under the intercompany loans); (y) ResCap hereby fully and finally discharges GMAC-RHC from its obligation to repay \$171,323,565.91 to ResCap under the intercompany loans (and subtracts such amounts from the total amount due by GMAC-RHC to ResCap under the intercompany loans); (z) the <u>Purchaser</u> hereby fully and finally discharges ResCap from its obligation to repay \$171,323,565.91 to the <u>Purchaser</u> under the intercompany loans (and subtracts such amounts from the total amount due by ResCap to the purchaser under the intercompany loans).”
198:16-19	So this is a monthly roll-forward of our <u>or a</u> monthly depiction of those balances looking for fluctuations in the balance to try to identify and pinpoint transactions that may have generated portions of the balance.
208:2-3	We researched as much as we could. <u>We looked at</u> as much information as we could identify.
211:23-12:5	Those would be ongoing – the change management process would be to review something that was a new or a significant item, and once an operational process was established around that, additional activity within; that would not be considered a significant event.
213:11-16	And looking at page 128 under Dividends, there's a description, a specific description of how dividends paid from a subsidiary to a <u>payment parent</u> company should be accounted for and eliminated in consolidation -- sorry, recorded and eliminated in consolidation.
220:10-16	The intercompany receivable/payable balances that were being forgiven would be reversed and the transaction would be recorded through equity <u>through</u> . Depending on the direction of the balance, <u>it would be recorded</u> as an additional paid in capital transaction, either additional capital or reversal of capital.
222:20-21	Could you rephrase the question? I'm not sure what you're referring to?.
225:23-226:2	There were other systems involved in <del>Treasuries</del> <u>Treasury</u> . There was a Quantum system where certain transactions or wire transfers were performed through the Quantum system.

Date: 11-7-13

Signed: Barbara Westman  
Barbara Westman